



Daily Report

Central Eurasia

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Edict on Policy Toward Expatriates Drafted

MK2907094194 Moscow KOMMERSANT-DAILY in Russian 29 Jul 94 p 3

[Report by Grigoriy Zaychenko: "Vice Premier Wants a New Ministry. Shakhray Slated for People's Commissar of Fellow Countrymen"]

[Text] The drafting has been completed by the Russian president's staff of an edict "On the Guidelines for Russian Federation State Policy in Regard to Countrymen Living Abroad," and Yeltsin can sign it in the very near future. The document, drafted by the presidential commission for questions of citizenship with assistance from the Foreign Ministry and the government, and supposed to intelligibly formulate Russia's stance on countrymen abroad, is helpful, on a large scale at that. The document was drafted, on behalf of the government, by Vice Premier Sergey Shakhray who is aspiring to the role of the key politician for CIS affairs.

The draft is impressive for its scale. Russia is supposed to undertake to accept all those wishing to return to their "historical homeland." It has been decided to make the solution of questions of economic and military cooperation with CIS countries strictly dependent on the observance of the rights and interests of Russians living there. Talks should be conducted on the establishment of Russian-language radio and TV services. Economic support for enterprises with Russian workers, as well as to public organizations of Russian communities is planned. A certain share of Russian credits to CIS countries should be used to support "Russian" factories, which puts what is already routine practice in relations with Uzbekistan and Kirgizia [Kyrgyzstan] on a legal basis. Analysis of the document shows that a number of its fundamental provisions precisely match the program of the Congress of Russian Communities led by Dmitriy Rogozin. Thus, Rogozin managed in just one day to intellectually fertilize in one go both Neverov and Shakhray.

A government commission with functions close to those of a ministry is to be created to coordinate such varied work. Under the draft, Vice Premier Sergey Shakhray is to head the commission. According to information from the president's staff, where the initial draft edict was drawn up, Sergey Shakhray exerted much effort in order that this line should appear in the draft. Such a strong desire to protect fellow countrymen can be accounted for by, in addition to idealistic reasons, more pedestrian ones—plans call for the creation under the commission of a fund in support of countrymen. Also in evidence is the interest on the part of commercial structures in cooperating with CIS countries. Yet another explanation is also possible: Speaker Shumeyko and his protégé Yegorov, people's commissar for nationalities affairs [narkomnats] have come to feel so much at home in the ecological niche of "the regions' best friend" that Shakhray no longer has room there, and no one can make

sense of what is the vice premier's job after all. Foreseeing that efforts to squeeze him out may come to their logical end, Shakhray has looked for a vacant niche and intends to settle there in real earnest. It is this that accounts for his desire to remove his fellow party member, Konstantin Zatulin, from the position of the Duma CIS affairs committee—the chairman of the government commission needs a loyal partner in the Duma committee rather than Zatulin, who is playing his own game and who is also undiplomatic in the extreme.

ITAR-TASS Carries Press Review for 30 Jul

LD3007084094 Moscow ITAR-TASS in English 0508 GMT 30 Jul 94

[“Press Review”—ITAR-TASS headline]

[Text] Moscow July 30—The scandal involving the MMM joint-stock company and the hostage drama at Mineralnyye Vody are the principal topics in the Saturday editions of most Moscow-based Russian newspapers.

ROSSIYSKAYA GAZETA on the MMM issue:

“We have got what we pressed for—a ‘free market’. Free, primarily, from rules of the game. The Ministry of Finance after a strangely long silence has finally decided to dissociate itself from the developments.

“A legal vacuum deprives the authorities of possibilities for radical actions. Today the government is being threatened by the MMM, tomorrow any other company would be able to blackmail it.”

The newspaper conveys the opinion of one of MMM shareholders who believes that under present conditions “it is impossible to terminate the MMM activities in a constitutional way because standing behind MMM President Sergey Mavrodi are very influential persons.”

Nikolay Medvedev, head of the public relations centre of the Fiscal Police department, said that Mavrodi “practises blackmail, tries to put pressure on the state, and provokes MMM shareholders.”

KOMSOMOLSKAYA PRAVDA on business people's view of the MMM scandal.

The newspaper gives an opinion of the “Business Roundtable of Russia”, an all-Russia association of entrepreneurs, according to which the blame for the MMM scandal “rests with both Mavrodi and the country's government, who watched on television how the MMM financial monster was swelling.”

IZVESTIYA on a government meeting on the MMM issue:

“Defence Minister Pavel Grachev's participation in the debate at a government meeting dealing with the MMM issue in general suggests anxious thoughts. Where was the startled government before?”

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TRUD on the same subject:

"Our leaders are lacking either a clear idea of what has happened or a clear-cut programme of action to localise the conflict."

PRAVDA believes that "the government and MMM dealers are not antipodes at all... They are busy preaching precisely the world outlook which corresponds to the present regime which is afraid that, if the MMM collapses, millions of Russians would turn away from the capitalist ideals which are being energetically implanted. The government fears MMM ruin more than the MMM shareholders standing in lines and even the MMM owners".

KRASNAYA ZVEZDA (RED STAR) on the hostage drama in Mineralnyye Vody.

The newspaper wonders why the attempt to seize the helicopter was made at the airport, and not, as was repeatedly the case before—after helicopter's take off or landing.

IZVESTIYA points out that despite repeated statements by the leadership of the Russian Federal Counterintelligence Service (FSC) and the Interior Ministry about a wide range of means that special services have at their disposal to neutralise terrorists, the hostage safety problem, as has been admitted by some members of the personnel of law enforcement agencies, remains unsolved.

IZVESTIYA news analyst Yuriy Feofanov writes that there is so far a good deal of ambiguity as to reasons that compelled special police to storm the helicopter provided for the terrorists.

It seems that the task assigned was not so much save people as carry out an operation to seize terrorists.

The news analyst believes that the assault of the helicopter should be condemned unreservedly. "Otherwise, new and new victims are inevitable." [sentence as received]

NEZAVISIMAYA GAZETA adheres to the same view in the belief that there was no need to resolve the situation by force when a large number of hostages were held captive by terrorists.

ROSSIYSKAYA GAZETA notes that the Interior Ministry assumed the main role in the hostage-release operation, whereas during the previous operations, Interior Ministry personnel acted together with the FCS one.

"Why this time the FCS was relegated to a role of third-rate importance? What was it—lack of coordination, the ambitions of two powerful agencies or unwillingness to share with others the 'glory' for neutralising terrorists?"

KOMSOMOLSKAYA PRAVDA, stating that terrorists become increasingly brazen and more refined in their actions, emphasises that terrorists should not be operated against offhand, in a rush, particularly when the life of the ordinary person is in jeopardy.

NEZAVISIMAYA GAZETA reports a message from the Federation Council of the Russian Parliament to the U.S. Senate in connection with media reports that FBI Director Louis Freeh, during his visit to Moscow, acquainted a high-ranking official of the Russian presidential staff with a list of Russian citizens, who keep accounts in American banks and whose accounts get augmented resultant of large-scale criminal operations.

The Federation Council requests the U.S. Senate to make available to it all the existing FBI information on the Russian mafia.

The newspaper recalls that it earlier reported that, according to some information, the 'black list' contains rather famous names.

ROSSIYSKAYA GAZETA runs the text of an instruction by the Russian president on the founding of a journal, "BULLETIN OF THE ARCHIVES OF THE PRESIDENT OF THE RUSSIAN FEDERATION". The main purpose of the publication will be to acquaint citizens of Russia and scholars with hitherto unknown or previously restricted-access documents which are kept in the archives of the Russian president.

NEZAVISIMAYA GAZETA runs an interview with former Speaker of the Russian Parliament Ruslan Khasbulatov, who maintains that under the present authorities "there will be no presidential election in the country because Boris Yeltsin will never win it any longer."

PRAVDA carries an interview with Chechen President Dzhokhar Dudayev who stated that "the need for a renewed union is now felt keenly as never before. There are political and economic prerequisites for it. The Chechen Republic will not only welcome such an idea but will also promote its realisation in practice in every way. No one should be drawn into a union by force. On the contrary, rather, not everyone should be admitted to it."

KOMSOMOLSKAYA PRAVDA expresses doubt about advisability of a continuation of goodwill games. The newspaper is on the opinion that these sports competitions have already played the loftiest role: the two contending peoples united in the period of the Cold War and sport discord. "This time the goodwill games in St. Petersburg as if give a farewell salute to hopes that justified themselves."

PRAVDA writes that a majority of sport competitions at the current goodwill games take place at stadiums, with grandstands being half-empty, unfortunately.

KRASNAYA ZVEZDA gives data indicating that the number of diphtheria cases has grown up to 700 in Maritime Territory since the beginning of the year as a result of uncontrolled visits to the territory by people from neighbouring states, primarily Chinese.

KOMSOMOLSKAYA PRAVDA reports that the Stolichniy Bank has notified the newspaper SEGODNYA

(Today) of its withdrawal from among the founders of the SEGODNYA publishing house and of the termination of the financing of "newspaper projects".

The second sponsor of the SEGODNYA—the bank group most—has so far assumed part of the Stolichniy Bank obligations with regard to the newspaper.

Reportage on Kozyrev at Geneva Talks on Bosnia**Kozyrev Threatens To Recall Troops***LD3007165094 Moscow INTERFAX in English 1544 GMT 30 Jul 94*

[Text] Russia's Foreign Minister Andrey Kozyrev told newsmen in Geneva Saturday that "the door to peace in Bosnia and the lifting of the anti-Yugoslav sanctions stood wide open". According to Kozyrev, the third ministerial meeting on Bosnia decided to prepare a draft resolution on the toughening and extension, and a draft resolution on the lifting, of the anti-Yugoslav sanctions.

Which of the two drafts would be endorsed depended on the Bosnian Serbs. If they said Yes to the contact group's scenario for peace, the sanctions would be lifted. If they said No, tougher sanctions would be introduced, Kozyrev said.

Under the circumstances, Kozyrev said, the international community would likely show enough common sense to refrain from a display of emotions. It was essential, he said, to encourage the Bosnian Serbs to say Yes. Otherwise, both the Bosnian Serbs and Yugoslavia as a whole would face serious trouble.

In Geneva, the Russian, US, British, French, German, Belgian and Greek Foreign Ministers again stressed the need for the strict compliance with the UN decisions on Yugoslavia and decided to step up security measures in the UN-designated safety havens on Bosnian territory. They said that if the Bosnian Serbs kept rejecting the international scenario for peace, the UN Security Council could move to lift the embargo on the sale of weapons to the Bosnian Moslem community.

Kozyrev also told newsmen that the Russian peacekeepers would return home in case NATO decided to strike in Bosnia.

He was planning a stopover in Belgrade with a view to brief Serbian President Slobodan Milosevic on the results of the Geneva meeting. He said everything must be done to enable the Bosnian Serbs to make the right choice. Kozyrev was confident that the Bosnian Serbs would, in the long run, accept the international scenario for peace.

On Saturday Andrey Kozyrev and his US counterpart Warren Christopher met twice in Geneva. Both Saturday morning and after the ministerial meeting on Bosnia, Kozyrev and Secretary Christopher focused on international issues and relations between their countries. They discussed preparations for President Yeltsin's visit to the United States. In Kozyrev's view, the September visit will lay a new groundwork for Russian-US relations.

Vows To Help Milosevic*LD0108102794 Moscow ITAR-TASS World Service in Russian 0915 GMT 1 Aug 94*

[By ITAR-TASS correspondents Dmitriy Gorokhov, Aleksandr Kondrashov, Ivan Ivanov]

[Text] Belgrade, 1 Aug (ITAR-TASS)—"I wish Serbian President Slobodan Milosevic success in achieving an accord with the Bosnian Serbs on their adoption of the Contact Group plan," Russian Foreign Minister Andrey Kozyrev said in an interview with an ITAR-TASS correspondent today before his departure for Moscow. During his brief visit to Belgrade he held talks late on Sunday evening with S. Milosevic during which the possibilities for spurring the Bosnian Serbs to adopt the international mediators' peace plan were examined.

A. Kozyrev stressed that "great courage will be required of Slobodan Milosevic now but I think that he, who was elected president of Serbia by nationwide vote, will find opportunities for the Bosnian Serbs to decide the question of adopting the plan in line with the interests of the entire Serbian people." "Milosevic must get them to adopt the Contact Group plan and we will get the sanctions lifted," the head of the Russian foreign policy department stressed.

He also noted that the Russian side has done everything to ensure that the plan takes account of Serbian interests and "I am ready to do everything to help Milosevic gain a victory." In reply to a question by the ITAR-TASS correspondent about whether it is possible that Belgrade would impose sanctions against the Bosnian Serbs if they fail to agree to the proposed peace plan for settling the Bosnian conflict, A. Kozyrev said: "Let us not decide that for the Serbs."

Offers Guarantee To Lift Sanctions*LD0108085894 Moscow ITAR-TASS World Service in Russian 0725 GMT 1 Aug 94*

[By ITAR-TASS correspondents Dmitriy Gorokhov and Aleksandr Kondrashov]

[Text] Belgrade, 1 Aug—Serbian President Slobodan Milosevic today received Russian Federation Foreign Minister Andrey Kozyrev. In the course of the conversation they discussed bilateral relations and ways of overcoming the crisis in the region of the former Yugoslavia.

A. Kozyrev, an official report from the office of the Serbian president says, has given a guarantee on behalf of Russia that after the Bosnian Serbs accept the plan of the "Contact Group" all sanctions against Yugoslavia will be lifted as soon as the Bosnian Serbs troops are pulled back to the agreed borders. The Russian side guaranteed the future borders between the Serb republic in Bosnia and the Muslim-Croat federation, as well as equal rights for the Serb republic to enter a confederation with Yugoslavia and for the Muslim-Croat federation to be joined with Croatia in a confederation.

The two sides noted the need to speed up the process of peaceful settlement with a view to resolving all the key problems in the region of the former Yugoslavia.

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President Milosevic stressed that Serbia would expect the sanctions to be lifted immediately, something which would exert enormous influence on abandoning force as a way of attaining aims.

At the meeting it was stressed that both sides are interested in expanding Russian-Serbian cooperation. The report said that this would be the subject of the talks to be held in Moscow by Russian Premier Viktor Chernomyrdin and Mirko Marjanovic, head of the Serbian government.

Says 'Everything' Done for Serbs

LD3107222394 Moscow ITAR-TASS World Service in Russian 2120 GMT 31 Jul 94

[By ITAR-TASS correspondents Dmitriy Gorokhov, Ivan Ivanov, and Aleksandr Kondrashov]

[Text] Belgrade, 1 August [date as received]—"I hope the leadership of the Bosnian Serbs will heed the voice of the international community and the recommendations of both Serbia and Russia and will accept the plan of the 'Contact Group,'" Russian Foreign Minister Andrey Kozyrev said upon arrival in Belgrade from Geneva on Sunday evening [31 July].

The head of the Russian foreign political department will have a meeting with Serbian President Slobodan Milosevic. "I count on S. Milosevic's prestige and standing with the Bosnian Serb leadership and the Serbian side's common sense and hope that this last chance to restore peace in Bosnia will not be wasted," A. Kozyrev said answering a question from an ITAR-TASS correspondent. He did not rule out a possible meeting with R. Karadzic, leader of the Bosnian Serbs.

The minister stressed that at the Geneva meeting of the foreign ministers of the United States, Russia, and European Union countries on Saturday, despite the "negative moods" prevailing at the negotiating table, the Russian side succeeded in providing the guarantees demanded by the Bosnian Serbs. If they accept the "Contact Group's" plan, the international community will guarantee equal rights both for the Muslim-Croat and the Serb sides in terms of its confederative unification with Yugoslavia, the lifting of sanctions, as well as "physical guarantees of security." This means that Russia is ready to deploy additional contingents of its "blue helmets" in those areas of Bosnia that are the most vulnerable ones for the Serbs.

A. Kozyrev noted that Russia was "almost alone" at the Geneva meeting because the Bosnian Serbs' negative answer had exacerbated the issue of "appropriate measures of negative pressure upon them." At the talks, however, it was achieved that the UN Security Council's resolution on stepping up sanctions against the Federal Republic of Yugoslavia was drawn up simultaneously with a resolution on lifting the sanctions. "Figuratively speaking, both documents will be put on the table simultaneously, and the Serbian side will have to choose

the most suitable one for itself. The UN Security Council will vote for this document precisely," the head of the Russian foreign political department said.

Touching upon the issue of increasing the Russian contingent of "blue helmets" in Bosnia, A. Kozyrev stressed that Russia was ready for this. "If the plan of the 'Contact Group' is rejected and the confrontation of forces escalates, we will leave Bosnia because we cannot let our peacekeeping forces there become a live target," the minister said.

A. Kozyrev expressed the hope that in reply to the proposed peace plan the Bosnian Serbs would give the international community "a sensible answer meeting the interests of the entire Serbian people." "We have given positive answers to all the questions of the Bosnian Serbs. In my view, we have done everything for the Serbian side," he said.

Departs Geneva for Belgrade

LD3107163394 Moscow ITAR-TASS in English 1615 GMT 31 Jul 94

[By ITAR-TASS correspondent Dmitriy Gorokhov and Konstantin Pribytkov]

[Text] Geneva July 31 TASS—Russian Foreign Minister Andrey Kozyrev ended his visit to Geneva and left for the Union Republic of Yugoslavia today. In Belgrade he will discuss with Serbian President Slobodan Milosevic resolutions, adopted at the third session of foreign ministers of the Russian Federation, the United States and member states of the European Union, held here on July 30.

Describing the results of the Geneva meeting, Kozyrev said they were characterised by "three key notions—unity, firmness and a balanced approach." The communique of the meeting "shows most clearly that a door to peace and, consequently, to the lifting of sanctions against Yugoslavia, has been opened, and the next step should be to take to that path." Now all depends on the choice to be made by Bosnian Serbs. If they say yes to the peace plan of the "Contact Group", the Security Council will adopt a resolution on the lifting of sanctions. Otherwise "the adoption of a resolution on the toughening of sanctions will be inevitable."

Responding to a question of ITAR-TASS, the Russian foreign minister said that the world community will influence the situation, using many channels, i.e. action will be taken both at the Security Council and within the framework of the "Contact Group". Many people are of the opinion that Serbia, which will be the first to suffer from the toughening of sanctions, could urge Bosnian Serbs more insistently to agree to a compromise.

Kozyrev met on Saturday here his U.S. counterpart, U.S. Secretary of State Warren Christopher. They discussed preparations for the forthcoming visit of President Yeltsin to the United States.

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Comments on Contact Group Talks*LD3007170194 Moscow ITAR-TASS World Service in Russian 1524 GMT 30 Jul 94*

[By ITAR-TASS correspondents Dmitriy Gorokhov and Konstantin Pribytkov]

[Text] Geneva, 30 Jul—"Three key concepts—unity, firmness, and a balanced approach—characterize the results of today's meeting," Andrey Kozyrev told a news conference here after completing discussion within the framework of the Geneva-3 forum devoted to a settlement of the Bosnian situation. Heads of foreign political departments of the Russian Federation, the United States, and European union countries—Great Britain, Germany, Greece, and France—took part in the meeting.

"The peaceful ultimatum" which received backing at the top level of the political 'eight,' the Russian minister said, signifies readiness to follow the world community's demands with appropriate actions. As Russian President Boris Yeltsin said in Naples: "We have enough guts to insist upon peace." At the same time we have enough realism and circumspect in order not to give in to emotions, but to measure up the planned means of influence against the main achievable result, that is, the Bosnian Serbs' return to the path of cooperation with the world community. "It is a question of 'encouraging them to say a clear 'yes' to our proposals," as "otherwise they will bring upon themselves tougher consequences for themselves, Yugoslavia, and all Serbs."

According to Andrey Kozyrev, the communique adopted at the Geneva meeting "says absolutely clearly that the door to peace and, consequently, to lifting sanctions against Yugoslavia, is wide open and one has only to enter it." This is confirmed by the fact that "both resolutions of the Security Council—on stepping up and on suspending the sanctions—will be drawn up simultaneously." Which of them will be adopted by the Security Council depends fully upon the Bosnian Serbs and their choice. "If they say 'yes,' the resolution on lifting the sanctions will be adopted, but if a 'yes' is not said, the resolution on stepping up the sanctions is unavoidable," the minister stressed.

Answering an ITAR-TASS correspondent's question, he noted that pressure would be "multichanneled," that is, steps will be taken both in the Security Council and within the framework of the "contact group." Speaking about prospects for cooperation between Russia, the United States and the European Union in settling the crisis, the head of Russian diplomacy said: "I am confident that we will continue to act together."

It was announced here today that late on Sunday, Andrey Kozyrev will fly to Belgrade for talks with Serb President Slobodan Milosevic.

During a bilateral meeting in Geneva today between the head of Russian diplomacy and U.S. Secretary of State

Warren Christopher, preparations for Boris Yeltsin's forthcoming visit to the United States were discussed.

Criticizes Serbian Lack of Reciprocity*LD2907191294 Moscow ITAR-TASS World Service in Russian 1849 GMT 29 Jul 94*

[By ITAR-TASS correspondents Dmitriy Gorokhov and Konstantin Pribytkov]

[Text] Geneva, 29 Jul—"We have done all we can for the Serbs." This is how Russian Foreign Minister Andrey Kozyrev described Russia's numerous initiatives aimed at achieving an equitable settlement to the Bosnian crisis. Speaking to Russian correspondents here today, he expressed regret that the Bosnian Serbs "have not taken even half a step to reciprocate."

The response to all Russia's appeals, including a message from President Yeltsin conveyed recently by Pavel Grachev, has been "a cold no." During his visit to the former Yugoslavia, the defense minister "one might say, had a fraternal chat and tried to convince them." Russia has acted "in a spirit of openness," and has done all it can for the Serbs. "However, we feel essentially that we have been deceived, in any event we see no movement whatsoever," the head of Russian diplomacy said.

The Bosnian Serbs should in the meantime display some understanding, because "apart from Russia, they have nobody in the world." "But we don't intend to lose our heads, and we will tell our partners this," Andrey Kozyrev added.

He recalled that the plan approved in Naples by the leaders of the "political Eight" provides for measures to tighten the sanctions and to strengthen safety zones. But all steps should correspond to reality and should take account of the fact that there are among the Serbs "sensible forces, first of all headed by Serbia's President Slobodan Milosevic." However, there is also a "party of war," upon which influence must be brought to bear.

"No matter what, all measures should be well-considered and expedient," the minister stressed. "We must not punish—even the side which said 'no'—but create the conditions under which it will say 'yes'."

Comments on Peace Plan Referendum*LD2907190594 Moscow ITAR-TASS in English 1817 GMT 29 Jul 94*

[By ITAR-TASS correspondents Dmitriy Gorokhov and Konstantin Pribytkov]

[Text] Moscow July 29 TASS—Bosnian Serbs should not hold a referendum in war conditions, Russian Foreign Minister Andrey Kozyrev said in Geneva on Friday, commenting on the intention of leaders of the Serbian side to hold a referendum on the peace plan in Bosnia. The Russian foreign minister believes that the political

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leadership in Pale should express their opinion towards the plan proposed by the "contact group" at the beginning of July.

"The value of all referendums in war conditions is known. I believe that it cannot help settle the conflict. The political leadership should manifestate political will," Kozyrev noted.

Despite the negative reaction of Bosnian Serbs towards the peace initiative, Andrey Kozyrev hopes that Pale is listening to Belgrade supporting the peace plan of the "contact group." "Serbian President Slobodan Milosevic knows about the Serb national interests and we should not ignore the opinions of Belgrade and President Milosevic," the Russian foreign minister stressed.

Comments on Contact Group

LD2907171494 Moscow ITAR-TASS World Service in Russian 1444 GMT 29 Jul 94

[By ITAR-TASS diplomatic correspondent Petr Chermushkin]

[Text] Moscow, 29 July—"There is no alternative to unity with our partners in the Contact Group which is trying to settle the Bosnian conflict," Russian Foreign Minister Andrey Kozyrev said replying to a question from an ITAR-TASS correspondent before his departure for the Geneva peace talks.

"Unless we preserve unity with the international community in the face of this crisis, very soon we will find ourselves drawn into a whirlpool of events similar to those 80 years ago when a provocation in Sarajevo exhausted the patience of the world powers and they found themselves drawn into a regional conflict as well as a world war," Andrey Kozyrev said. "I think we should completely rule out such a development of the events in the interests of Russia which in that world war suffered more than anyone. Then everything ended not with a patriotic victory which caused a lot of noise but in a national catastrophe in the form of the 1917 coup. I think this is what certain forces in Russia are hoping for and their patriotic talk boils down to dragging Russia yet again into if not a "hot" war than into a re-run of the "cold" war and to coming to power as a result of this war. I think one could see a very clear similarity in all respects here. And we will not allow this since this is not in the interests of Russia."

"Russian interests and Russian patriotism have never been linked to unconditional support for a side which says 'no' to peace," the minister said. "On the contrary, Russia will always support those who say 'yes' to peace."

At the same time, he did not hide the fact that there were considerable differences with the Contact Group partners in approaches to the question of what practical steps should be taken. Among the western partners, a negative assessment of the reply by the Bosnian Serbs prevails. "But we think that the factor of Serbia itself, of President

Milosevic who acts from much more sensible positions, should be seen as furthering the achievement of peace. We think that those positive elements of policy which they have in the reply and which come from Belgrade should be supported," the head of the Russian Ministry of Foreign Affairs noted. In his opinion, great care should be taken in using negative means of influence. The use of such measures should be strictly commensurate with demands and in order to support healthier and more rational forces.

We also have differences in our assessments, A. Kozyrev said. And today's and tomorrow's meetings will be very difficult. "One thing should be avoided," he stressed, "—a split of the united front of states striving for peace and Russia being viewed as a state which does not have enough character to insist on its demands."

"We are disappointed that despite the appeal by the President of Russia, my trip to Belgrade and the latest, unprecedented trip by Minister of Defense Grachev, the Bosnian Serbs have not agreed to the peace variant proposed by the Contact Group," the Minister noted. At any moment the Bosnian Serb side chooses peace, Russia will be by its side, he stressed.

Opposes 'Negative Actions'

LD2907160094 Moscow INTERFAX in English 1514 GMT 29 Jul 94

[From the "Diplomatic Panorama" feature by correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov and others]

[Text] Russia's Foreign Minister Andrey Kozyrev feels that even the negative response by the Bosnian Serbs to the international community's proposals for the territorial division of Bosnia-Herzegovina paves a way to more political negotiations.

Kozyrev talked to an Interfax reporter Friday before leaving Moscow for Geneva where, together with his US, British, French, German, Greek and Belgian counterparts, he will attend the third ministerial conference on Bosnia.

Kozyrev invited the countries which were prepared to bear responsibility to take "negative actions" against the opponents of plans for a Bosnian settlement. In his view, negative actions "were pregnant with sufficiently grave repercussions".

Kozyrev was disappointed with the Bosnian Serbs' negative response to "the peace ultimatum". He said Russia was always willing to work for the resumption of the search for a political accommodation. And that, he said, met the interests of both Serbia and the Bosnian Serbs because the anti-Serbian sanctions would be lifted as soon as Serbia accepted the international scenario for peace and the Bosnian Serb community stood to take control of half Bosnia if the international plan was to be realized. That met their own suggestions, Kozyrev said.

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Regardless of the outcome of the Geneva gathering and regardless of what package of negative actions was to be planned, the Bosnian Serbs, on guarantees from Moscow, still stood a chance to make the right choice. The Bosnian Serbs, according to Kozyrev, held the key to a positive turn of developments.

Kozyrev dwelt at length on relations inside the contact group. Alluding to the beginning of World War I, he said that only international unity in the face of the Yugoslav crisis would prevent the world from entering a whirlpool of developments on the order of those which happened 80 years before. He admitted that the members of the contact group did differ on practical actions. Some of them were disillusioned with the response by the Bosnian Serbs. Some were totally disillusioned, Kozyrev said, but Moscow still saw positive elements in both Serbia's and Bosnian Serb approaches and found it necessary to support them. In Kozyrev's view, President Milosevic showed a much more realistic approach.

Kozyrev pointed to the need for a united front of the world powers but stressed that Russia could not afford to allow others to regard it as a country which was incapable of having its own way.

Serbs Have Only Selves To Blame

LD2907154794 Moscow Ostankino Television First Channel Network in Russian 1400 GMT 29 Jul 94

[From the "Novosti" program]

[Text] Russia still hopes that the Bosnian Serbs will accept the peace plan proposals on Bosnia and Herzegovina offered by the five leading powers, Russian Foreign Minister Kozyrev stated. He had an interview with our correspondent before his departure for Geneva today.

[Begin Kozyrev recording] Whatever the outcome of the Geneva meeting is, whatever package of, say, negative persuasion methods is adopted—the Bosnian Serb side will only have itself to blame. At the same time, this side alone holds the key which can turn the course of events in a positive direction at any given moment. I would like to stress once again that Russia will always offer support in such a case. Besides, Russian interests and Russian patriotism have never been linked with unconditional support of a side which says "no" to peace. On the contrary, Russia always supports those who say "yes" to peace. This time will be no exception.

But at the same time I shall not deny that there is considerable divergency in approach to the question of what practical steps should be taken. And so, today's meeting as well as subsequent ones will not be easy. But I think we should at least avoid one thing: a split of the united front of solidarity and cooperation between the world powers and Russia being viewed as a state which does not have enough character to insist on its demands. [end recording]

Churkin Says Air Strikes Not on Agenda

LD2907155594 Moscow INTERFAX in English 1354 GMT 29 Jul 94

[Text] Conducting air strikes against Bosnian Serb positions is not being discussed at present, said Deputy Russian Foreign Minister Vitaliy Churkin in Moscow on Friday.

At the same time he does not rule out the possibility that someone would like to do so, Churkin said. Churkin underlined Russia's negative attitude to such methods for settling conflicts. Even lifting the embargo on arms deliveries to Bosnian Moslems is considered an extreme measure, Churkin said.

He said that at the conference in Geneva on Saturday foreign ministers of Russia, Germany, Greece and Belgium will probably discuss tougher sanctions against Yugoslavia, and the introduction of tougher security zones, and the introduction of such zones on another four regions.

Viktorov Opposes NATO Replacing UNPROFOR in Bosnia

LD2907162694 Moscow ITAR-TASS in English 1558 GMT 29 Jul 94

[By ITAR-TASS diplomatic correspondent Aleksandr Krylovich]

[Text] Moscow July 29 TASS—Valeryan Viktorov, deputy speaker of Russia's upper house of parliament, flatly opposed the idea of replacing the U.N. peace-keeping troops deployed in the conflict zone in former Yugoslavia with NATO forces.

Speaking on Friday at a news conference on the results of the Federation Council's official visit to Croatia, Bosnia-Herzegovina and the union republic of Yugoslavia, he stressed that "NATO is not a peacekeeping organization. Its tasks and objectives are quite different. NATO should by no means get involved into this conflict". Otherwise, "a serious war" may result, he said.

Predicting further developments in the region, the Russian lawmaker warned that unless Serbs took a positive decision before tomorrow morning, economic sanctions were likely to be tightened, especially against the union republic of Yugoslavia. According to him, an appropriate draft resolution by the U.N. Security Council has already been prepared.

The deputy speaker believes the Russian economy will be the one most negatively affected by tougher economic sanctions against Yugoslavia. Russia has already lost an estimated 1.5 bln dollars due to the conflict in former Yugoslavia, Viktorov said. Tightening sanctions will entail further losses.

"We are being continuously squeezed from the Balkans", the lawmaker claimed. He suggested that the economic

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sanctions were aimed at "Russia's complete isolation from the states with which it has maintained constant economic ties for decades".

Foreign Ministry Statement on Tajikistan Situation

LD3107091194 Moscow ITAR-TASS World Service in Russian 0800 GMT 31 Jul 94

[By ITAR-TASS]

[Text] Moscow, 31 Jul —"Reports that fighters of the Tajik opposition have stepped up their actions against the national army of Tajikistan and that they are concentrating in the border areas of Afghanistan are giving rise to serious concern. To all appearances, the opposition leadership has decided to achieve its aims not by political means but by force. Such a line cannot lead to the normalization of the situation in Tajikistan and to national reconciliation," a statement by the Russian Ministry of Foreign Affairs that was handed to ITAR-TASS today says.

"The collective peacekeeping forces, the Russian border troops, without interfering in the armed clashes between the Tajik sides on the territory of the republic, will continue to take the most decisive measures to protect Tajikistan's border with Afghanistan," the document notes further. "We favor the continuation of inter-Tajik dialogue and the achievement of national reconciliation via the democratic expression of the will of the Tajik people. We attach particular significance to inter-Tajik talks under the aegis of the United Nations, and expect that the next round will lead to the signing of an agreement on a cease-fire and on an end to other hostile actions."

The statement stresses further: "The whipping up of armed confrontation can only complicate the peacekeeping efforts and is in the interests of those who are not interested in the normalization of the situation as well as those who link their future in politics with the unleashing of what is essentially a second civil war in Tajikistan. We call upon the leaders of the opposition to return to seeking constructive and mutually acceptable agreements on a settlement in the course of dialogue with the government with the assistance of the United Nations, Russia, and other interested states."

UN Security Council Issues Resolution on Haiti

LD3107194094 Moscow ITAR-TASS in English 1921 GMT 31 Jul 94

[Text] New York July 31 TASS—The U.N. Security Council adopted a resolution on Sunday, which paves the way to a possible armed invasion of Haiti by the U.S.-led multinational force, aimed at overthrowing the incumbent military government and restoring democracy there.

The resolution sanctioning the use of force was adopted with 12 votes for it. Representatives of China and Brazil abstained from voting. The fifteenth member of the Security Council—a representative of Rwanda—was not present during the voting.

Citizens Evacuated From Rwanda To Return

LD3007100694 Moscow ITAR-TASS in English 0540 GMT 30 Jul 94

[By ITAR-TASS correspondent Marina Ryklina]

[Text] Moscow, July 30 (TASS)—Thirty six Russian citizens, evacuated from Rwanda, will be brought tonight from the city of Goma, Zaire, to the Zhukovsky airport of the Moscow region by a plane of the Russian Ministry for Emergency Situations. Passengers will be met by a special team of medics, because there is a cholera epidemic in Rwanda, a spokesman for the press service of the ministry told ITAR-TASS.

The ministry's plane brought to Goma a Russian humanitarian cargo for Rwandan refugees. It was the first of a number of flights of the ministry's planes, which will bring humanitarian cargoes to Rwanda.

Yeltsin, Kuchma Jointly Address Black Sea Fleet Personnel

LD2907192194 Moscow Radio Rossii Network in Russian 1600 GMT 29 Jul 94

[Text] The Russian president's press service has circulated an address by Boris Yeltsin marking Navy Day. The document stresses that the navy has been and will remain an object of particular pride for Russian citizens. I am convinced, the president said, addressing Russian Navy personnel, workers, staff and veterans, that a great future awaits our navy. A joint address by the presidents of Russia and Ukraine was sent to the sailors of the Black Sea Fleet. It particularly expressed the presidents' readiness to complete as early as possible the Black Sea Fleet talks and the signing of agreements which answer fully the interests of the people of Russia and Ukraine.

Send Joint Message

LD3107111194 Moscow ITAR-TASS in English 1050 GMT 31 Jul 94

[By ITAR-TASS]

[Text] Moscow July 31 TASS—The press service of the Russian president has circulated the text of a joint message from Presidents Boris Yeltsin of Russia and Leonid Kuchma of Ukraine to the Black Sea Fleet personnel on the occasion of the Navy Day being marked today, July 31.

The message reads as follows:

"Please accept our heart-felt congratulations to you on the occasion the Navy Day which is traditional for our peoples.

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"We note with pride your devotion to the glorious heroic traditions of the Black Sea Fleet navy men. Under the current difficult conditions, you maintain the fleet's efficiency at the proper level, worthily guard the southern frontiers of Russia and Ukraine and participate in humanitarian operations.

"We are resolved to finalise the talks on the Black Sea Fleet as soon as possible and sign such agreements which, while taking into consideration the opinion of the Black Sea Fleet personnel and people in the Crimea, would fully accord with the interests of the fraternal Russian and Ukrainian peoples.

"We express confidence that the Black Sea Fleet navy men, showing a high responsibility and devotion to military duty, will continue to contribute to strengthening the relations of friendship between Russia and Ukraine.

"We wholeheartedly wish good health and wellbeing to you and your families".

'Strategic Partnership' Envisioned With Ukraine

LD0108125494 Moscow *ITAR-TASS in English* 1133 GMT 1 Aug 94

[Text] Moscow August 1 *ITAR-TASS*—The idea of setting up a quadrilateral commission to bring together promising politicians, entrepreneurs and experts from Russia, Ukraine, Byelorussia [Belarus] and Kazakhstan in a sort of public and political club was approved by Ukrainian President Leonid Kuchma during his conversation with the chairman of the Russian State Duma's committee for commonwealth affairs, Konstantin Zatulin and the committee's chief expert Andranik Migranyan, who visited Ukraine from July 29-31.

Sources in the State Duma told *ITAR-TASS* today that the trip had been made in the interests of building a new, special relationship of strategic partnership between Russia and Ukraine.

The envoys from the State Duma met a number of politicians and public figures of Ukraine, including former president Leonid Kravchuk, and conveyed a message from the Duma chairman, Ivan Rybkin, to Ukrainian parliament chairman Alexander Moroz.

Konstantin Zatulin and Andranik Migranyan took part in the festivities devoted to Russian Navy Day in Sevastopol, the Crimea. They met Crimean President Yuriy Meshkov and other leaders of the Crimea, whom they informed about the results of the recent meeting between the parliamentary delegations of Russia and Ukraine.

Estonian Agreement Signed on Pakri Reactors

LD3007135994 Moscow *ITAR-TASS World Service in Russian* 1319 GMT 30 Jul 94

[By *ITAR-TASS* diplomatic correspondent]

[Text] Moscow, 30 Jul—An agreement was signed in Moscow today between Russia and Estonia on the procedure and dates for decommissioning the nuclear reactors and ensuring nuclear and radiation safety on the Estonian peninsula of Pakri. Thus, the work has been completed on a package of documents on the problems of bilateral relations adopted as a result of the recent visit to Moscow by Estonian President Lennart Meri and the Russian-Estonian summit.

In accordance with the agreement, the Russian installation with preserved nuclear reactors and storages for nuclear waste is, upon completion of the decommissioning, to be handed over into the ownership of the Estonian Republic by 30 September 1995.

Text of Pact on Military Pensioners' Rights

MM0108101594 Moscow *KRASNAYA ZVEZDA in Russian* 29 Jul 94 p 1

["Agreement Between the Russian Federation and the Estonian Republic on Questions of Social Guarantees for Pensioners of the Russian Federation Armed Forces on the Territory of the Estonian Republic"]

[Text] The Russian Federation and the Estonian Republic, hereinafter to be called the Sides,

—guided by the provisions of the 12 January 1991 Treaty on the Bases of Interstate Relations Between the Russian Soviet Federated Socialist Republic and the Estonian Republic, and other existing treaties and agreements,

—proceeding from the need to provide social guarantees for Russian Federation Armed Forces pensioners on the territory of the Estonian Republic,

have agreed the following: **Article 1** The following terms signify:

1. "military pensioners"—persons discharged from military service and receiving a pension and benefits from Russian Federation funds.
2. "persons deprived of a breadwinner"—persons receiving benefits in connection with the loss of a breadwinner falling into the category of persons indicated in point 1.
3. "family members"—members of the families of military pensioners and of persons deprived of a breadwinner—spouses, minors, and other dependents. **Article 2** 1. Military pensioners, members of their families, and persons deprived of a breadwinner will receive a residence permit for the Estonian Republic upon submission of a personal application with the exception of persons who, by decision of the Government of the Estonian Republic, have been justifiably denied the right to obtain a residence permit because of a risk posed to the security of the Estonian Republic.

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2. A representative of the CSCE is invited to participate in the work of the Government Commission recommending the issue of residence permits.

3. The Russian Side submits to the Estonian Side no later than 30 days after the signing of this Agreement a list of the persons and members of their families mentioned in Article 1, and renews the said list by 1 January of every year thereafter. **Article 3** The Russian Federation implements pension provision for military pensioners on the territory of the Estonian Republic irrespective of their citizenship in line with the conditions and norms established by Russian Federation legislation. The pensions paid are no lower than the level of the minimum pensions, including compensation, set in the Estonian Republic.

Military pensioners do not figure on military personnel records in the Russian Federation. **Article 4 1.** The pensions of military pensioners are paid in the national currency through bank institutions operating in the Estonian Republic from Russian Federation budget funds and are not liable to assessment for taxes other than those established by Estonian Republic legislation for persons permanently resident in the Estonian Republic. At the same time, the procedure for financing the expenditure on the payment of pensions and benefits to them is determined jointly by the competent organs of the Russian Federation and the Estonian Republic

2. Questions of establishing, recalculating, and defining the conditions for the payment of pensions and benefits to military pensioners are resolved by the department of social security under the Russian Federation Embassy in the Estonian Republic.

3. The Estonian Side will render assistance to the department mentioned in point 2 of this Article by granting it the requisite premises and services on terms similar to those applied to the diplomatic institutions of other countries in the Estonian Republic. **Article 5** Military pensioners who have acquired the right to pension provision in line with Estonian Republic legislation can, at their volition, have their pensions established and paid by the relevant organs of the Estonian Republic at the latter's expense. In so doing, pensions previously established by the Russian Federation are suspended for the period in which the pension is paid by the organs of the Estonian Republic and vice versa. **Article 6** Military pensioners and members of their families, including invalids and veterans of the 1941-1945 war, enjoy civil and political rights and freedoms on Estonian Republic territory as well as social, economic, and cultural rights in accordance with the universally recognized international legal norms on human rights. **Article 7** The Estonian Republic reserves for military pensioners and members of their families the right of ownership, usage, and disposal of their property, including dwelling houses, apartments, dachas, garden sheds, and garages, on equal terms with citizens of the Estonian Republic. **Article 8 1.** The Estonian Republic confirms the right of military

pensioners and members of their families, on a common footing with citizens of the Estonian Republic, to make use of living space irrespective of its departmental appurtenance and to privatize this space, as well as their right to include on the work record required for the privatization of accommodation military and other equivalent service, as well as any job carried out in the capacity of workers, functionaries, and civilian personnel in military units, in institutions, and at enterprises of the Ministry of Defense of the former USSR and the Russian Federation Ministry of Defense.

2. The Sides render comprehensive assistance to military pensioners and members of their families who have declared the desire voluntarily to move from the Estonian Republic to the Russian Federation.

In the event of military pensioners and members of their families' moving to Russia to a place of permanent residence they have the right:

to sell, transfer, or otherwise dispose of as they see fit real estate belonging to them as owners;

to sell their apartment privately, at auction or to obtain, if possible, a one-time payment in the event of their vacating an apartment in the Estonian Republic;

to take out, sell, or otherwise dispose of personal property belonging to them as owners.

They are entitled to take out from the Estonian Republic the monetary assets thereby obtained for real estate and personal property, as well as to transfer monetary investments and shares located in banking institutions of the Estonian Republic to banking institutions of the Russian Federation.

All the personal property of military pensioners and members of their families belonging to them as owners, with the exception of items which it is forbidden to take out, can be taken out of the country upon final departure from the Estonian Republic without liability to assessment for customs duties, indirect taxes, and other levies.

3. The Russian Federation and the Estonian Republic will assist military pensioners in the exchange of living space rented by them for the living space of persons resident in the Russian Federation and returning to the Estonian Republic.

4. In the absence of the possibility on the part of the relevant services of the Estonian Republic of providing municipal services for residential areas in whose dwelling houses military pensioners and members of their families have continued to reside following the withdrawal of the troop units, the Estonian Side resolves the problems of providing them with the aforementioned municipal services or offers them equivalent well-appointed living space on equal terms with other persons living in these facilities. **Article 9** Military pensioners and members of their families have the right to obtain on

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common terms all forms of medical attention and prosthetics in medical institutions of the Estonian Republic irrespective of their citizenship or lack of such.

Payment for medical attention and prosthetics for non-working military pensioners is effected from Russian Federation budget funds by means of their transfer to organizations dealing in medical insurance in the Estonian Republic. **Article 10** The Estonian Republic will render assistance in organizing medical centers for military pensioners and members of their families on the basis of a number of institutions and organizations of the Russian Federation Armed Forces which are being handed over. **Article 11** Persons indicated in points 1, 2, and 3 of Article 1 of this Agreement enjoy on a common footing the right to obtain an education in higher, secondary specialized, and general educational establishments of the Estonian Republic. **Article 12** In order to examine questions linked with the implementation of this Agreement, a Mixed Commission is being set up, to which body each Side appoints an equal number of its own representatives.

Persons to whom the operation of this Agreement extends may submit for examination by the aforementioned Commission appeals on issues concerning their rights.

The Mixed Commission functions on the basis of the rules adopted by it. **Article 13** Differences of opinion over the interpretation and application of this Agreement are resolved by means of talks through diplomatic channels. **Article 14** Not one of the obligations stemming from the articles of this Agreement can be interpreted as a basis for participating in activities or actions injurious to the sovereignty, security, and territorial integrity of the Sides. **Article 15** This Agreement is provisionally applicable from the day of its signing and enters into force on the day of final notification confirming the fulfillment by the Sides of the interstate procedures required for its entry into force.

Done in the city of Moscow 26 July 1994 in two copies, each in the Russian and Estonian languages, both texts being of identical force.

For the Russian Federation—Boris YELTSIN

For the Estonian Republic—Lennart MERI

Former PRAVDA Journalist Recalls Meetings With Ames

MM0108104794 Moscow KOMSOMOLSKAYA
PRAVDA in Russian 30 Jul 94 p 1

[Telephone interview with Tomas Kolesnichenko, former PRAVDA correspondent in New York, by Yelena Ovcharenko; date not given: "Evening Call to Tomas Kolesnichenko"]

[Text] Yesterday THE NEW YORK TIMES published a sensational report to the effect that Rick Ames—the high-ranking CIA employee convicted of spying for the USSR and Russia—embarked on the path of working for the United States' "main enemy" at a meeting with Tomas Kolesnichenko, at that time the PRAVDA correspondent in New York. THE NEW YORK TIMES does, however, specify a very important detail: Kolesnichenko did not recruit Ames. Furthermore, it turns out, the PRAVDA journalist did not even know Ames's real name.

"I met with Frank Madison," Tomas Kolesnichenko told me when I got through on the telephone to the ANKOM-TASS International News Agency, of which he is president. "This was in the 1970's. For many years I found him to be an interesting person to talk to, a person with a sharp mind who was interested in the Soviet Union. Which was understandable, since he was a political scientist at an institute.

"I discovered quite recently that Frank and Rick Ames were one and the same person. If I had known that he was a CIA employee I would have been less open with him. I remember that at that time I was not inhibited in my assessments of the Brezhnev regime. I said that a new generation is coming and relations between our countries would change. That was a refrain in our conversations.

"Of course, I have a lot of memories about those conversations, but I am a journalist and therefore I am keeping them for my materials—don't take this amiss. Incidentally, Ames and I are in active correspondence."

Economic Issues

MMM President Announces Suspension of Trading

LD3007091194 Moscow Radiostantsiya Ekho Moskvy in Russian 0800 GMT 30 Jul 94

[Excerpt] All trading in shares and tickets [bilyty] in the MMM joint-stock company has been suspended until 1 August, company President Sergey Mavrodi has announced. He also said he will meet a shareholders' initiative group today in order to work out a joint decision on further action. In Mavrodi's words, the decision to drop the share price by over 100 times was a mistake. Incidentally, over the past 24 hours unknown persons have twice warned the militia that an explosive device was in the MMM building. In both cases, however, the combat engineers who arrived at the scene did not find any such device. As ITAR-TASS has just told us, thousands of people have once again begun to congregate at the MMM offices this morning. [passage omitted]

Procurator General Calls For Investigation

LD2907195794 Moscow ITAR-TASS World Service in Russian 1630 GMT 29 Jul 94

[By ITAR-TASS correspondent Olga Solodova]

[Text] Moscow, 29 Jul—"The MMM scandal needs thorough investigation, and that is what the tax police and government are for. However, the procuracy will take over the case if required," Russian Deputy Procurator General Oleg Gaydanov told a news conference at the Russian Federation Government building today.

And MMM is not alone in attracting the procuracy's attention, Gaydanov said. Since the beginning of the year, 20 criminal cases have been launched against various financial companies estimated to have cost their shareholders \$2 million and 12 billion rubles, he said.

Yeltsin Urged To Order Investigation

LD3007180994 Moscow ITAR-TASS in English 1615 GMT 30 Jul 94

[Text] Moscow July 30 TASS—Russian President Boris Yeltsin's senior security advisers have urged him to order a thorough investigation into the activity of the company MMM with the participation of representatives of the Federal Counterintelligence Service, the Interior Ministry and other agencies.

In their resolution sent to the president, they stressed that the "scandal around MMM is caused by the absence of a legislative basis and proper government control over the activity of such 'scam' organisations."

"We appeal to the president of Russia to issue an order, pending the adoption of a respective law, to auditing and

law enforcement bodies to carry out immediate inspections of a number of companies whose advertising campaign violates the presidential decree 'on advertising'," the resolution said.

The resolution also called on the chairman and members of the State Duma, the lower house of parliament, to suspend their vacations in order to adopt the laws on advertising, issue of securities and joint stock companies.

Finance Ministry Calls for Inquiry

LD3007182994 Moscow ITAR-TASS World Service in Russian 1509 GMT 30 Jul 94

[Text] Moscow, 30 July (ITAR-TASS)—It is essential to carry out an audit of MMM and other joint-stock companies trading in their own shares and to inform shareholders of the companies' assets and investments, according to a Russian Finance Ministry statement received today by ITAR-TASS. The statement sets out the ministry's position regarding the MMM situation.

The ministry called in particular for clauses to be inserted into securities legislation to require mandatory and total availability of information on the financial state of joint-stock companies when they deal in their own shares.

Commenting on media accusations that the government failed to act to protect shareholders, the ministry pointed to a presidential decree "On Protection of Investors' Interests" signed on 11 July and said the media themselves were in breach of that decree by continuing the "unlawful promotion" of various finance companies. The ministry further said it intended to ask the tax authorities and procuracy to investigate the media's conduct and confiscate for the state any unlawfully-derived profits.

Much of the ministry's statement is addressed directly to the Russian people. "When you put your money into any kind of financial operation you should carefully weigh up the pros and cons and realize that high-yield operations cannot be risk-free", it warns.

There is more useful advice: "Never believe a commercial promising to pay higher than average dividends or that share values can only go up...Before you buy any securities take professional advice...Never buy securities that are unlawful as in most cases these are surrogates (a good example are the MMM "notes") [bilyty]...When you buy surrogates you are simply giving your money away to those who issue them".

"The market economy means personal liability for one's actions", the Finance Ministry concludes. "The state is not liable for privately-issued securities...Be extremely careful and cautious".

MMM Advertising Banned in Moscow

LD3007143994 Moscow ITAR-TASS World Service in Russian 1300 GMT 30 Jul 94

[By ITAR-TASS correspondent Gennadiy Yezhov]

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[Excerpts] Moscow, 30 Jul—Moscow Mayor Yuriy Luzhkov has informed the Russian Government that he is suspending all advertising for the MMM Joint Stock Company in the capital from today until all the circumstances surrounding the company's activities have been brought to light. An ITAR-TASS correspondent learned this from well-informed sources in the Russian Government. [passage omitted]

An ITAR-TASS correspondent learned today that the government apparatus has been instructed to refrain from any official comment on the subject of MMM until 1 August.

Official Rules Out State Compensation

LD3007111794 Moscow ITAR-TASS in English 1021 GMT 30 Jul 94

[By ITAR-TASS correspondent Igor Galkin]

[Text] Moscow July 30 TASS—A drama that stirred the public all over the country is developing at the Russian securities market: the MMM financial empire is tumbling down. The question arises: What is to be done for avoiding such situations in the future or at least for making financial blows less painful for people? ITAR-TASS put this question to Dmitriy Vasiliyev, deputy chairman of the Russian State Property Committee and a specialist in problems of the securities market.

Perhaps, it sounds cruel with regard to the investors affected by the MMM collapse, but we should realise that if the state compensates for their losses, it will do a lot of harm to the securities market. This step will encourage all swindlers to follow suit. They will feel that no one will call them to account, they will escape and the state will pay their debts. This is a matter of principle: not to compensate for the losses suffered by the shareholders. We cannot build a market economy without it.

In his opinion, it is necessary to revise soon the rules of the emission of shares and to streamline the system of supplying information to investors. They should know what the heads of joint-stock companies are doing with their money, Vasiliyev said.

All this concerns not only investment companies of the MMM type, Vasiliyev continued. He is very much concerned over the situation at the enterprises turned into joint-stock companies in the course of the voucher privatization. Their chief executives should provide shareholders with information about what they are doing at the enterprise. Openness in this respect is a weapon against swindlers, he said.

At the same time, it is important now not to go to the opposite extreme and not to let bureaucrats, for whom banning is the only effective instrument, do what they please at the securities market. According to Vasiliyev, unprecedented corruption will be the only result.

MMM Group Appeals to Chernomyrdin

LD3007092994 Moscow ITAR-TASS World Service in Russian 0749 GMT 30 Jul 94

[By ITAR-TASS correspondent Yelena Yugina]

[Text] St. Petersburg, 30 Jul—Many residents of St. Petersburg who acquired shares in the MMM joint stock company are concerned about the situation around the company. A municipal public committee of MMM shareholders has been set up here. The first step they have taken is to call on all shareholders to unite in order to prevent the crash of MMM. A telegram has been sent to Viktor Chernomyrdin demanding that the government's attitude to MMM be reconsidered. Otherwise the spontaneously organized force has threatened to start a campaign for the prime minister's resignation.

[Moscow ITAR-TASS in English at 0736 GMT on 30 July in a Moscow-dated report says: "Thousands of people began to gather today in the morning outside the central office of the MMM joint-stock company, hoping against hope that they will be able to get back their money, invested in the MMM shares." The report adds: "Everybody is looking forward to an address of MMM President Sergey Mavrodi to the shareholders. Rumours about a possibility of Mavrodi addressing shareholders today have been heard among the public since Friday night."]

Chernomyrdin Rejects Compensation

LD3107114594 Moscow ITAR-TASS World Service in Russian 1040 GMT 31 Jul 94

[By ITAR-TASS correspondent Vladimir Zlobin]

[Text] Petrozavodsk, 31 Jul—The Government of Russia will not compensate the shareholders of the MMM joint stock company for their financial losses since money for this aim can be taken only from the pocket of the taxpayer, who did not acquire the company's shares. Viktor Chernomyrdin, head of the Russian Federation Government, said this today at Petrozavodsk airport [in Karelia] on his arrival for a three-day working visit.

Viktor Chernomyrdin pointed out that the government does not intend to introduce any prohibition measures against the MMM joint-stock company, but will demand from the company that it strictly comply with the existing tax and financial legislation. Not only MMM but also other companies should register their activities of all types and receive the appropriate permission as well as diligently pay taxes.

Viktor Chernomyrdin said that among the main violations in the activity of the MMM joint stock company were the fraudulent nonpayment of taxes to the federal budget, and also the illegal quotation of the company's shares, since it did not have a license for this type of activity. Many companies like MMM operate fully

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within the law, such as Olbi, and the government has no claims on them, the Russian prime minister noted.

The head of the Russian Government said that the blame for the deception of the MMM joint stock company shareholders who, of course, realized that they were investing money in a risky enterprise, lies with the government to a certain extent. The cabinet of ministers is presently working actively to draw up a package of legislation to regulate the circulation of securities in Russia. However, the government realizes that legislation regulating the commodity market is a bit late.

Viktor Chernomyrdin said that the ministry and specific officials responsible for this sphere will be punished. Nevertheless, in his opinion, the MMM joint stock company was undoubtedly mainly to blame. In the first place, the company is responsible for irresponsible advertising and also for the fact that when the MMM crisis began, and also up until today, its leadership made no attempt to contact the government and to resolve jointly the acute situation in which millions of shareholders have been involved.

MMM Shareholders Threaten Government

LD3107182494 Moscow INTERFAX in English 1653
GMT 31 Jul 94

[Text] If the government tries to sequester the assets of the tumbling MMM investment company, the latter's Union of Shareholders will take serious action, a union spokesman said.

The spokesman, Vladimir Stolypin, told the Financial Information Agency that the union had issued the warning on Sunday.

He did not specify what action the union, which, according to the MMM press service, has a membership of 40,000, might take, but said the union had lists of police officers ready to help it.

He also said the union was going to demand tax concessions for the company to "compensate for the losses caused by the thoughtless conduct of officials."

In the meantime, a "Union of Old Investors" was set up at the MMM headquarters on Sunday, mainly grouping holders of 1,000 or more shares. In its first half hour of existence, the union acquired a membership of more than 1,000.

On Sunday afternoon, the situation in front of the MMM headquarters on Varshavskoye Shosse on the whole remained quiet. Police said there were no more than 4,000 people outside.

An MMM spokesman said the company was on Sunday selling shares with a face value of 1,000 rubles each.

By 3 p.m. the MMM central office had run out of share certificates, bearing a special mark introduced the same

day, and went over to the sale of tickets, each representing one-hundredth of a share, the spokesman said. He said shares bought before and after July 28 would have the same market value and that the marking of certificates, introduced at the instance of the Union of Shareholders, had no financial significance but was a means to prevent swindling in the sale and purchase of shares. He also denied reports that the company had no register of its shareholders.

Black market prices outside the MMM central office are 4,000 rubles for the purchase and 7,000 to 9,000 rubles for the sale of a share.

MMM President Promises To Return Profits

LD3107142194 Moscow INTERFAX in English 1236
GMT 31 Jul 94

[Text] The press service of the MMM joint stock company made known the appeal of MMM President Sergey Mavrodi to shareholders who gathered near the MMM head office in Moscow last evening, the Financial Information Agency said.

The appeal of Mavrodi said that MMM had information proving that representatives of MMM contenders and state bodies were also standing among MMM shareholders near the MMM office on Varshavskoye Shosse, 26. "These people realized how efficient the strategy of MMM was and are now trying to provoke disorder," the appeal of Mavrodi said.

The appeal was announced through loud-speakers. When it said, "We never deceived you" people in the street responded to such a statement with whistle, the Financial Information Agency reported.

Mavrodi promised to return to shareholders their profits and urged them to pay no attention to the "flows of lies poured by the media."

The MMM press service also announced that the company was taking measures in order to stabilize the situation. One more MMM sale office will be opened on Varshavskoye Shosse, 26 (the MMM head office) on July 31. It will sell and buy MMM shares at the quotations established on Friday. It will buy at 950 rubles and sell at 1000 rubles.

The MMM press service said that the shares sold before July 29 (when the sharp decrease in the quotation of shares was made known) would be bought at the present quotation.

MMM Begins Selling New Shares

LD3107160794 Moscow INTERFAX in English 1236
GMT 31 Jul 94

[Text] On Sunday morning, MMM started selling new shares differing from the old ones in that they have a special stamp.

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MMM's press service told the Financial Information Agency that on Sunday MMM shares were bought at 1,125 rubles and sold at 1065 rubles.

MMM shares will be sold and bought exclusively in the head office in Moscow's Varshavskoye Shosse. By now, there are about 6,000 people on the list waiting to buy MMM shares, the Moscow police report.

Near the head office, on an improvised black market, MMM shares are sold at 6,000 to 7,000 rubles. The Financial Information Agency reports that the number of people willing to sell their "old" shares to street dealers does not exceed 500.

Military, Nuclear & Space Issues

Text of Yeltsin Navy Day Address

LD3107121994 Moscow *ITAR-TASS World Service in Russian* 0941 GMT 31 Jul 94

[By ITAR-TASS]

[Text] Moscow, 31 July —In connection with Navy Day, which is marked today, 31 July, the press service of the president of the Russian Federation has circulated the text of the address by B.N. Yeltsin to the men, the blue- and white-collar workers, and veterans of the Russian Federation Navy. It says:

"I cordially congratulate the admirals, officers, warrant officers, ranking NCO's, and ordinary seamen, all those who have created and guarantee the country's naval might today, on their splendid holiday—Navy Day.

"The people love this holiday and this is probably no accident. The Navy was and always will be one of the customary and clear symbols of our statehood, a subject of particular pride for the people of Russia. In this is manifested the historical memory of the people, who well remember at what price Russia took to the seas and at what price the Navy was formed. The names of famous naval leaders—F. Ushakov, P. Nakhimov, and V. Kornilov, fearless sailors of the Great Patriotic War—are legendary.

"It has become the custom for the fate of the Navy to be linked most closely with the growth in the might of our state. The country flourished and the Navy arose. But now, in this difficult time of transformations, the state will not forget its sailors; and I am convinced that a splendid future lies in store for our Navy. Its heroic traditions will never be cut short.

"Heartfelt thanks to you for your difficult and responsible service. Be proud that you have had the good fortune to serve under the white and blue flag of St. Andrew. Good health, peace, happiness, and prosperity to you and your families!

[signed] B. Yeltsin
[dated] 29 July 1994"

Grachev Order for Navy Day Published

MM0108113794 Mos. *KRASNAYA ZVEZDA in Russian* 30 Jul 94 p 1

[Russian Federation Defense Minister Order of the Day No. 238 signed by Army General P. Grachev, Russian Federation defense minister, and dated 28 July 1994, Moscow]

[Text] Comrade sailors and Navy veterans, shipbuilders and ship repair workers, and defense industry workers!

On 31 July 1994 Navy Day is being celebrated in the Russian Federation.

The Navy's history is a history of selfless service to the Fatherland. Beginning with the Russian Navy's formation, the heroic traditions of loyalty to military duty, valor, courage and fortitude, combat proficiency, and indivisible comradeship have been passed from generation to generation of sailors. These traditions were multiplied in the Great Patriotic War.

The Navy acts as a reliable bulwark of the Russian Federation's freedom and independence.

Sailors, like personnel in other branches of the Russian Federation Armed Forces, are fulfilling their constitutional duty with honor. In the complex conditions of transformations and of implementing practical military reform measures they are persistently improving naval combat proficiency and vigilantly keeping combat watch in the expanses of the world's oceans. The Navy's combat readiness is constantly maintained at a high level by the selfless labor of personnel, shipbuilders and ship repair workers, and defense industry workers.

On this holiday I greet and congratulate personnel, Navy veterans, and workers of the shipbuilding, ship repair, and defense industries. I wish you good health, happiness, and success in your service and labor for the good of the Fatherland.

To mark Navy Day I order:

On 31 July at 2200 hours local time celebratory fireworks displays are to be held in the capital of our Motherland, the Hero-City of Moscow, in the Hero-Cities of St. Petersburg, Volgograd, Murmansk, Novorossiysk, Smolensk, and Tula, and in the cities of Severomorsk, Kaliningrad, Vladivostok, Petropavlovsk-Kamchatskiy, Baltiysk, and Astrakhan.

On this holiday the holding of naval parades and water-sports festivities is to be organized in fleets and flotillas and at Leningrad Naval Base.

I express the confidence that sailors will worthily continue the heroic traditions, honorably fulfilling their sacred duty to protect our Fatherland.

[Signed] Army General P. Grachev, Russian Federation defense minister

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Kokoshin Interviewed on Defense Issues

LD0108101694 Moscow Mayak Radio Network in Russian 0630 GMT 1 Aug 94

[Text] In connection with Defense Minister Army General Pavel Grachev's vacation, Andrey Kokoshin today assumed the responsibilities of Russian Federation defense minister. He gave our observer Viktor Levin an interview in this capacity:

[Begin recording] [Levin] Andrey Afanasyevich [Kokoshin], you came to the defense ministry on the wave of democratic changes and your appointment to the ministry was interpreted as a very important step on the way toward the democratization of our armed forces.

Can you say that during your work here, now that you have had a chance to view the army from the inside, that real changes toward democracy have taken place in the armed forces?

[Kokoshin] You know, in any developed country the armed forces continue to be a specific body, and the democratization of society and the creation of the appropriate political institutions in society should not be automatically imposed on the structure of the army since the army is a rigid hierarchical system which has to tackle quite specific tasks. That is why, in my view, the question should be asked from a somewhat different angle.

I think that one of the main tasks has been to take a look at whether the introduction of the elements of democratic management fit in with our traditions. But I think it would not be quite appropriate for me to assess the results of my activities. In general I have tried to do my work to the best of my abilities. If one speaks about my relations with my military colleagues, I consider they are, in principle, normal, businesslike, and constructive and we are working together in a rather friendly manner on all the issues we are facing today. Of course, the issues are most acute and I have and will go on repeating that the pendulum has swung to the extreme opposite point. If in the past we obviously had an excessive military potential and spent a colossal amount of money on that, now we clearly deliver short to the armed forces and the defense industry.

[Levin] Andrey Afansyevich, I understand that the following question may not be a very straightforward one to you but what is your attitude toward the statements by some generals that only the army is capable of saving Russia?

[Kokoshin] Russia's main problems lie in the economic sphere and in the sphere of forming a stable civilian society and the armed forces also play a very important part in this. The armed forces should act as a sort of guarantee of internal stability and first and foremost ensure Russia's security. That is why I would prefer to try here to avoid any extremes in both exaggerating or underestimating the role of the army.

[Levin] The army as well as the whole of our society, is facing very complicated issues. How in your view, does Mayak radio help or not in resolving these issues.

[Kokoshin] I am grateful to the radio station for giving me and my colleagues the opportunity to speak openly about complex socioeconomic and armed forces' issues. From the bottom of my heart, I would like to thank you for this. My personal relations with Mayak are positive. [end recordingh]

Military-Industrial Complex Investment Questioned

LD3007203794 Moscow Ostankino Television First Channel Network in Russian 1700 GMT 30 Jul 94

[From the "Novosti" newscast]

[Text] According to Defense Ministry statistics announced at hearings behind closed doors in the Federation Council on Monday, over the last three years about 40 percent of the country's scientific and technical potential has been lost because too little money has been put into the military-industrial complex. These are depressing figures, of course, and the opposition never tires of pointing out that the U.S. military budget is approximately nine times higher than our planned defense spending for this year.

I think one should look elsewhere though. Why, for instance, is the restructuring of the armed forces moving so slowly, and why is the number of generals steadily going up while the numbers in the ranks are diminishing? Or why do we have to have an optimum number of at least 1.5-2 million men in military service, and not 1 million, for instance? What is more, if conversion is carried out cleverly and with a will, it can yield fruits which the whole of society can enjoy.

State Inspectorate Warns of 'Nuclear Disaster'

AU0108090494 Berlin DIE TAGESZEITUNG in German 29 Jul 94 p 7

[Report by Barbara Kerneck from Moscow: "Uranium in a Glove"]

[Text] What can happen in a country in which nuclear experts and workers do not get even a tenth of the salaries that are customary abroad? When—as happened most recently after the impounding of 6 grams of plutonium in Tengen, Baden-Wuerttemberg—the suspicion is voiced that there is a lively trade in nuclear material from Russia, this is always followed by outraged denials by Russian politicians. Thus, at the beginning of this month Interior Minister Viktor Yerin said that not a single case of theft of radioactive material that could be used for the construction of a nuclear bomb is known in Russia.

At least Yeltsin admitted that there had been a number of cases in which uranium and plutonium had disappeared in industry. Viktor Mikhailov, the minister of

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nuclear energy, on the other hand, has repeatedly denied this possibility, even though at the beginning of this year, in its report to the president, the state Nuclear Inspectorate in the Russian Federation criticized not only the adequate safety of most reactors but, above all, the "disastrous condition" of the nuclear naval fleet. The fleet personnel, the committee said, is dealing with nuclear material along the lines of a "trial-and-error method," and the commanders are not even trying to raise safety measures to the required level.

The belief of Russian politicians in the gullibility of their people and the world public must be enormous, because the domestic and foreign mass media are full of reports that their country seems to be a gigantic self-service shop for the mafia. In all these cases, the so-called human factor plays a decisive role.

In their recently published book "Russia Explosive," two young German television journalists, Adrian Geiges and Andre Zalbertus, describe the conditions in and around the nuclear port of Murmansk. There nuclear waste is put into intermediate storage on an ice-breaker, where dozens of dockers march in and out without being checked much. A final storage site for the same material, surrounded by a gaping board-fence, guarded by a drunk pensioner in return for a few coins, and without lights, is waiting for Godot in the tundra.

The topic came to Adrian Geiges's attention, when in October 1992 German police discovered a rucksack-sized lead container with strontium 90 and caesium 137 in a locker at the Frankfurt/Main train station. The material had been offered by a Polish dealer on behalf of Russian sellers in the city's red-light district. A month later, Geiges, together with a television team, managed temporarily to remove the same radioactive material from a Russian nuclear ice-breaker in Murmansk. He also managed to get on to the premises of this final storage site near the city without being prevented from doing so, but in the interest of his health, he did not take advantage of this.

In autumn 1993 journalists of the daily NOVAYA YESHEDNYAVNAYA GAZETA conducted a similar experiment. They pretended to be interested in fissionable material and bought highly enriched weapons-grade plutonium on the black market. They were also offered the warhead of an SS-20 missile, which was in private hands. The team also exposed a case in which, in the town of Elektrostal, uranium was taken out of a factory in milk urns.

The affinity of Russian fissionable material with food containers is also proved in the latest report by the Federal Counterespionage Service, which caused great excitement in the country: A butcher from the beautiful town of Pushkin near St. Petersburg thought that in this time of quick money there should also be an opportunity for him to get rich without having to work. Why, after all, he asked, have a relative in a secret factory of the Nuclear Energy Ministry? The relative was amenable

and gradually smuggled a considerable quantity of 90-percent enriched uranium 235 in his glove, deceiving the factory guards. When he was finally able to put 3 kg on his kitchen scales at home, he passed the material to the deliriously happy butcher. The latter took the material home by train, put some of the stuff into a metal container and some in a half-liter jar for pickled cucumbers, and stored the whole lot in his refrigerator so that it would not spoil.

Occasionally, he took out samples to offer, together with his friends, a pipe-layer and an unemployed man, at the weekly markets in St. Petersburg. There the Counterespionage Service finally noticed the men in June.

Since in Russia it is possible for excellent radioactive material to disappear from the places of its official production and utilization without anybody noticing this too quickly, absolutely no one gives a damn about radioactive waste. The disintegration of the CPSU led to, among other things, the destruction of the Moscow files on illegal nuclear waste disposal sites and undeclared radiation sources in the city area.

The party district executive committees had kept files on them and had discovered 1,200 of them since the beginning of the 1970's. Now the radioactive waste has again been forgotten and buried.

This and the fact that not a single one of the 50 facilities for nuclear fission experiments located in the capital has adequate security measures were recently reported by members of the state Nuclear Inspectorate in an open letter to the Duma deputies. In this letter they asked that nuclear experimentation should cease in Moscow, because there is "the real possibility of a nuclear disaster." However, they are still waiting for an answer.

Majority of Nuclear Theft Reports 'Wrong'

AU0108102294 Hamburg DER SPIEGEL in German
1 Aug 94 p 61

[Interview with Kirill Sidorov, departmental head at Russia's Federal Counterintelligence Service and "responsible for the protection of strategic armament enterprises," by an unidentified DER SPIEGEL correspondent; place and date not given: "They Are Stalling"]

[Text] [DER SPIEGEL] Nuclear experts say that if the Russian authorities were to cooperate, it could be determined quite precisely where the plutonium found in the FRG came from. Have you already received a sample of the material from the Germans?

[Sidorov] Unfortunately, they have not sent us any samples. We are very interested in making analyses in the Kurchatov Institute in Moscow or in other nuclear centers to clarify the matter. If we could analyze the isotope composition exactly, the source of the plutonium could certainly be determined. We know only—from

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photographs—the container in which the plutonium was kept. Such containers, however, are not used here in Russia.

[DER SPIEGEL] In the view of Western experts, the trail leads to Russia.

[Sidorov] There is no evidence of that. A total of 95 percent of all reports on nuclear thefts in our country are simply wrong. The IAEA in Vienna has confirmed this. The remaining 5 percent involve materials that cannot be used for weapons.

[DER SPIEGEL] Chancellor Helmut Kohl reportedly gave your President Boris Yeltsin information about the plutonium find in Germany at the G-7 summit in Naples at the beginning of July.

[Sidorov] There is no confirmation that such an exchange of information took place. But we urgently need cooperation. In this case, too, we would closely cooperate with the intelligence services in Germany and the United States.

[DER SPIEGEL] In Moscow there is a branch of the Federal Intelligence Office (BND) with whom you could talk.

[Sidorov] Oh well, this representation is very new here.

[DER SPIEGEL] What information have you received from the Germans so far?

[Sidorov] Very very little. With these facts we cannot determine the origin of the material. The BND keeps any further details to itself with the justification that it must protect its own agents. At the political level they are talking about cooperation; at the lower level, however, they are stalling and, at the same time, making propaganda against us.

[DER SPIEGEL] What could be the point of this?

[Sidorov] We observe that German authorities are increasingly dancing to the tune of those who want to fan the rumors about black marketeering with Russian nuclear material. In Germany and in other countries rumors are put about that enriched uranium, for instance, fetches \$60,000 per kilo. The public is supposed to believe that Russia is no longer able to control the production, storage, use, and transportation of nuclear weapons—which would be a violation of the nonproliferation treaty. On the one hand, they are urging the supra-state supervision of the Russian nuclear complex; on the other hand, demand is being stimulated in the criminal milieu.

[DER SPIEGEL] Is this demand now increasing?

[Sidorov] The people who have been involved so far seem to be naive amateurs. Believe me: If it were really the mafia involved, it would deliberately dig out precisely what is really needed for a small bomb.

Mikhaylov on Nuclear Energy Development, Market

LD3007172794 Moscow Mayak Radio Network in Russian 1400 GMT 30 Jul 94

[Text] Russian Atomic Energy Minister Viktor Nikitovich Mikhaylov has been speaking to our correspondent Valeriy Kiosa about the international cooperation plans of the Russian nuclear complex, which was formerly almost totally closed to foreign contacts.

[Begin recording] [Mikhaylov] I am now hoping for an improvement in the exporting of not only traditional products such as uranium, enrichment services, transuranic elements, our fertilizers and instrument-making products, but also high-technology products. I think that we will be developing this avenue and sometime, in 1995 I think, we will achieve 70 percent of our financing from these exports, mutual cooperation and the creation of joint enterprises and major companies. I would go further and say that nuclear energy will be the energy of the 21st century. Mankind will not develop without nuclear energy. Therefore, if Russia wants to get firmly onto its feet, it should develop nuclear energy.

We have had a splendid offer from such a firm as General Atomics in the United States to set up a joint company with Russian enterprises, and we are now setting it up to develop a reactor for the 21st century. It is very important in my view that there be a standardized nuclear energy industry throughout the world, and that these reactors can be supplied both to Third World countries and to developing countries. I would say that these reactors will have their internal safety ensured in a situation where the possibility of spontaneous, developing chain reactions are in principle ruled out.

[Kiosa] But many markets are still closed to us, above all, by some customs barriers and restrictions. How are you solving these problems?

[Mikhaylov] Not only by this. I have always said that, if the cold war between political systems has ended, a real hot war is going on in the world market for spheres of influence and for the market. Even with our latest high technologies, which exceed many times the technologies in the West, we are not allowed there and all kinds of restrictions are being introduced. I can give you the following example. Our perfect technologies, the so-called centrifugal technologies, for enriching natural uranium. Our factories consume 20-25 times less electricity than factories in the United States, for example. So, we proposed to the United States: Let us open a market. Nevertheless, for two years, 1992-93, there was a trial, the so-called antidumping hearing. At the time our ministry and our products were completely closed for export.

The United States always took advantage of this. And now it has 50 percent of the market under its control. Therefore we now want to join these 50 percent by setting up a joint Russian-American venture for

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enriching uranium on the basis of a contract for processing highly enriched uranium.

[Kiosa] In your opinion, is this the first step, one which will be followed by others?

[Mikhaylov] Yes, I think this is the first step. At present this venture is at the stage of formation. It includes the U.S. State Corporation for Enrichment and our own enrichment combines. And I hope that with the help of our technologies we will be able to persuade the Americans to give this company a share in these 50 percent of the world market they have under their control. This will be very important. [end recording]

Sealing of Komsomolets Nuclear Sub Completed

LD0108090094 Moscow Radio Moscow World Service in English 0700 GMT 1 Aug 94

[Text] A Russian expedition to the wreck site of the nuclear-propelled submarine Komsomolets, which sank in the Norwegian sea in 1989, has ended. The main task - to seal the nuclear warheads aboard the submarine—has been completed. The examination conducted with the help of deep-water apparatus showed the radiation level was quite normal. Now specialists think that the sunken submarine will not be able to threaten that part of the sea, rich in fish resources, with pollution.

Cosmos-2284 Launched From Baykonur

LD2907175294 Moscow ITAR-TASS in English 1622 GMT 29 Jul 94

[Text] Moscow, 29 Jul (ITAR-TASS)—Another artificial Earth satellite Cosmos-2284 was launched today on a Soyuz carrier rocket from Baykonur cosmodrome. It will be used in the interests of the Ministry of Defence of Russia.

The satellite has been placed in orbit with the following parameters: Initial period of revolution, 89.2 mins; apogee, 296 km; perigee, 206 km; orbital inclination 70.4 deg.

The apparatus aboard the satellite is working normally.

Federal Assembly

Committee Chief Says Duma in Control of Privatization

MK2907102494 Moscow SEGODNYA in Russian 29 Jul 94 p 1

[Aleksandr Bekker report: "The President's Edict Was Not Called For, But It Was Sufficient. Privatization Will Remain Curtailed Until Fall"]

[Text] Anticipating the natural question from journalists why the State Duma Privatization Committee chairman has called a press conference during recess, Sergey

Burkov said that the president's edict on the post-voucher privatization program has evoked many questions among the public, and that it is not quite correctly interpreted in the press. First, Boris Yeltsin's verdict enacts only basic propositions, not a new privatization program. Second, a number of former state program provisions stay in force, in particular privileges for labor collectives and enterprises which the president, under the constitution, may not abolish. Third, tax breaks for corporatizing enterprises, envisioned by the edict, may not be effected in circumvention of the law, i.e., without parliamentary approval.

Therefore, until fall, when the deputies come back after recess, privatization will proceed in curtailed form. So, in Burkov's view, "interference by the president was not called for." Privatization could well have continued on the current legal basis until the end of the year. The Duma committee chairman sees the reasons which compelled the president to issue the edict after all as lying in the political rather than in the economic sphere. This includes the wish to show that the process, which is vital of the country, has not stopped, and also the aspiration to assert the head of state's leading [initsiativnaya] position on this question.

In spite of the fact that the lower parliament chamber has failed to adopt the bill at least in the first reading, Burkov is not inclined to dramatize the situation. He strongly disagrees with press comments about the utter helplessness of the Duma, allegedly "incapable even of presenting its own variant." Program presentation is the prerogative of the government. As for "its own" variant, far more fruitful was the work by the Duma Conciliation Commission and the government, as repressed by State Property Committee leadership, which submitted a draft with 39 amendments. Five factions voted for it, and this compromise version fell short of approval by just 13 votes.

Even so Sergey Burkov is upbeat about the situation. At long last the Duma has "regained" privatization, returning it into the legislative framework. Although some political demarches and emotions were not avoided during the debate, in the conciliation commission the discussion was strictly professional. The committee chairman regards as a major achievement the fact that the amendments to the program stipulate retention of the former procedures for the sale of land plots occupied by privatized enterprises; the powers of the local authorities have been extended to include the right to decide on privatization of facilities in the social sphere. It also became possible to move away from "unrestrained, forced, privatization schemes," which were in effect at the voucher stage, and towards "individual, case-by-case work." Now the Federal Assembly is to decide on the fate of enterprises with personnel of more than 50,000, or an incorporation fund in excess of 200 billion rubles.

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Parliament Requests Information Provided by FBI
MK3007073994 Moscow NEZAVISIMAYA GAZETA in Russian 30 Jul 94 p 1

[Maksim Isayev report in the "Response" column: "A Master Move. The Federation Council Has Reacted to NEZAVISIMAYA GAZETA's Publication of the Appeal to the U.S. Senate"]

[Text] On Thursday, 28 July, The Federation Council of the Russian Federation Federal Assembly adopted an appeal to the Senate of the United States. It says: "The Deputies of the Federation Council are extremely concerned by reports in the mass media that during his recent visit to Moscow, U.S. FBI Director Louis Freeh presented to a highly placed official of the Russian presidential staff a list of Russian citizens who have accounts with U.S. banks, replenished as a result of large scale criminal transactions, in particular drug trafficking."

"Pooling our efforts in fighting the narcomafia, we appeal to the U.S. Senate to make available to us the information at the disposal of the FBI about Russian mafia, and lists of Russian citizens who have accounts at U.S. banks replenished as a result of large scale criminal transactions."

It is noteworthy that the first paragraph of the above document almost fully coincides with the end passage of the article published in NEZAVISIMAYA GAZETA on 16 July 1994 on the first page. Furthermore, we reported that according to some sources, the "black list" features some very high-profile names.

It has come to NEZAVISIMAYA GAZETA's notice that the version about Louis Freeh's possible transfer of scandalous information to an official in the presidential staff has been strongly denied in the Kremlin. One of the weighty arguments cited as proof is that such things are not done before numerous witnesses. During his visit to the Kremlin Louis Freeh, was surrounded by many people.

High ranking experts with the Russian special services, who commented at NEZAVISIMAYA GAZETA's request on our report about Freeh's actions in Moscow, also questioned the very fact of such a list being handed over. There are two arguments against this. First, why should such a list be given away if each of the persons in it can be worked on separately, blackmailing them. Second, the Americans cannot but realize that no special service in the world would under any conditions—even at presidential orders—ever disclose its source in the White House (this point was also made in NEZAVISIMAYA GAZETA's publication—M.I.), if there is one.

True, one cannot rule out the version of an intelligence gift made "personally" for President Yeltsin so that he may know what is going on behind his back, if the Americans believe that only Yeltsin is the guarantor of stability in Russia.

Yesterday yet another Russian expert on special service activities, whom NEZAVISIMAYA GAZETA asked to comment on the appeal by Russian senators to their U.S. colleagues, said literally the following: "This is an absolutely dilettantish move. No special service in the world will disclose secret information, obtained by specific means, to the public. No matter how good the relations between particular countries might be. But it is easy to understand our senators. They think about the emotional reaction by the public. Some 99 percent of the population will say: 'Now, our guys are really smart. They are honest themselves and they want to debunk the dishonest ones.'"

P.S. Oleg Gaydanov, deputy general prosecutor, confirmed that information has come from the FBI about a number of Russian entrepreneurs who have illegal incomes in the United States, some of whom have been prosecuted.

New Opposition Association Formed in Upper House

MK3007101694 Moscow KOMMERSANT-DAILY in Russian 30 Jul 94 p 3

[Dmitriy Kovalkov report: "'Constructive Engagement' Begins with Ultimatums"]

[Text] Created shortly before the parliamentary recess, the deputies' association, Constructive Engagement, immediately announced its disagreement with the government line, and also the need for its resignation. Speaking at a press conference late on Thursday evening, the "constructivists" stated that by October, when the economy is on the verge of collapse and the opposition consolidates, the question of government replacement will be finally ripe.

Although the Federation Council's standing orders do not provide for factions, deputies of the upper chamber do not want to lag behind their Duma colleagues. No sooner had the deputies' group Governors' Union announced its creation than a new association appeared: Constructive Engagement. Its founding fathers include Vasilii Starodubtsev, Petr Romanov, and Aleksandr Titkin. All in all, according to its leaders, Constructive Engagement includes 34 people, i.e. virtually all the house deputies who, in the opinion of observers, are in strong opposition to the president.

The new association members, who have chosen the motto: "For Democracy with a Human Face," are not satisfied with their chamber's performance. A statement signed by Aleksandr Titkin on behalf of his comrades condemns those deputies who "oppose the rise of the Federation Council as an independent political force" and are turning into the president's "lapdog." Although Titkin diplomatically evaded specifying who is meant, it is not difficult to figure out. Recently the activity by Romanov, Starodubtsev, and company has been increasingly worrying house speaker Vladimir Shumeyko. As is

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known, in the first months of the upper house's work its speaker was especially proud over the absence of political groups in the Federation Council. Now virtually during every break one can see a circle of deputies gathering around Petr Romanov, a cofounder of the Russian National Assembly: They are working out a joint action plan.

The upper house counterpart of the Duma's patriotic-communist factions, just like its comrades, is seriously concerned by the catastrophic situation in the economy, and government inaction. Responding to a question from journalists whether the association has not been late in emerging or in demanding the government's resignation given that both chambers have recessed for vacation, former minister Aleksandr Titkin said: "This is a fine strategic move." By October, when parliament resumes work, the economy, in his opinion, will be in a state of real collapse while the opposition will finally unite and nominate a ready team for a new government from within its ranks.

Regional Affairs

Government Issues Statement on Chechnya Situation

LD3007210394 Moscow ITAR-TASS in English 1100 GMT 30 Jul 94

[Text] Moscow July 30 ITAR-TASS—The Russian Government issued on Friday a statement "on the situation in the Chechen Republic".

The statement reads as follows:

"The situation in Chechnya is no longer under control. It became ungovernable and may entail most dramatic consequences, including large-scale armed clashes.

The ambitious policy pursued by Dudayev, who is seeking to represent Russia as an "aggressor" and the "enemy" of the Chechen people, resulted in isolating the Chechen Republic from the Russian Federation.

The course of Chechnya's current leadership has become the major destabilising factor in the Northern Caucasus, hampering the settlement of the Ingush-Ossetian conflict. The citizens and leaders of the neighbouring republics, territories and regions draw attention to the fact that organized criminal groups are continually penetrating from the Chechen Republic into their territories to commit dangerous crimes. Russians were shocked by the latest tragic hijack in Mineralnye Vody.

All this tends to create both in Russia and in the whole world a distorted image of the Chechen people, which provokes distrust and even hostile feelings towards Chechens and representatives of other Caucasian peoples.

The regime of Dudayev, who came to power following an anti-constitutional coup, crushes down any resistance,

any dissent. Hundreds of people have been exterminated. It is especially outrageous that when settling their accounts, armed groups kill innocent old men, women and children. Some 200,000 residents, both ethnic Russians and Chechens, were forced to flee the republic and become refugees without any means of subsistence.

The actions taken by the Chechen authorities gave rise to opposition sentiments. The republic's sound forces are growing in number, which struggle to restore the constitutional system and elementary law and order, to establish good relations with Russia and all peoples of the Russian Federation.

In this situation the Russian Government is showing the maximum restraint and tactfulness, and resisting Dudayev's provocative and insulting attacks against the federal bodies of power.

The Russian Government declares that in case Russian citizens living in the Chechen Republic, be it ethnic chechens, Russians or Ingushis, are subjected to violence, it will be forced to protect Russian citizens in full accordance with the Russian Constitution and other laws.

At the same time, we reiterate that social accord and peace in the Chechen Republic can be achieved through free democratic elections and normalisation of its relations with Russia on a constitutional and treaty basis. Proceeding from these principles, we are ready for constructive dialogue and cooperation with all social forces and individuals enjoying authority and trust of the multi-national population of the Chechen Republic.

We believe that the healthy forces of the Chechen people will put an end to lawlessness, the orgy of crime, fear and violence on the long-suffering Chechen land.

Statement Cites 'Destabilizing' Role

LD0108100594 Moscow ITAR-TASS World Service in Russian 0740 GMT 1 Aug 94

[Text] Moscow, 1 Aug (ITAR-TASS)—The actions of the Chechen authorities are beginning to play an "openly destabilizing" role in the North Caucasus, and recent statements by Chechen leaders and the republic's mass media "can be regarded as none other than a deliberate anti-Russian campaign," according to a statement released to ITAR-TASS today by the Provisional Administration in the state of emergency zone on part of the territories of the Republic of North Ossetia and the Republic of Ingushetia.

The document points out that there have been increasingly frequent instances of what are essentially interference by the Chechen side in the internal affairs of neighboring republics. Among other things, an official statement emanating from Grozny warned that if the emergency zone were to be extended to Malgobekskiy and Sunzhenskii rayons of Ingushetia, Chechnya would regard this as "aggression" against itself. The Chechen

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police- and border-posts put up on the administrative territory of Ingushetia, and the introduction of Chechen administration in a number of settlements in Ingushetia, can be seen as anything other than an attempt to assert territorial claims against the Republic of Ingushetia. Against this background, there have been provocations by armed groupings, incursions by Chechen armored equipment carrying armed men into the state of emergency zone, and reconnaissance flights by a Chechen helicopter over strategic installations.

Given all these incidents, the Provisional Administration expresses serious concern and considers that the Chechen leaders are thereby confirming the unofficial reports of their intentions to hinder the settlement of the Ossetian-Ingush conflict. The statement points out that this is preventing the peoples of the regions from realizing their aspirations for good-neighborly relations and peace to be finally established in the North Caucasus as a whole.

Groznyy Rejects Statement

LD3007122794 Moscow ITAR-TASS World Service in Russian 1145 GMT 30 Aug 94

[By ITAR-TASS correspondent Sharip Asuyev]

[Text] Groznyy, 30 Jul—The Chechen leadership has described yesterday's statement by the Russian Government on the situation in that republic as "a logical link in the chain of the propaganda campaign against Chechnya." Dzhokar Dudayev's press service today issued a statement in reply that asserts, in particular, that "certain Russian leaders are making desperate attempts to discredit the Chechen Republic, its people and its leadership." Groznyy believes that this is being done in pursuit of the aim "of preparing the necessary conditions for resolving the so-called Chechen issue by force."

The Chechen authorities assert that the situation in the republic remains absolutely calm and that the present leadership is totally in control.

Statement on Chechnya 'A Year Late'

LD3007163894 Moscow ITAR-TASS World Service in Russian 1250 GMT 30 Jul 94

[By ITAR-TASS correspondent Sharip Asuyev]

[Text] Groznyy, 30 Jul—The Russian Government's statement on the situation in Chechnya is "a year late," according to Yaragi Mamodayev, the head of the exiled government of popular trust of the republic. In an telephone interview with ITAR-TASS, he said today that "back on 4 June last year, when General Dudayev's regime engineered the first bloody battle at the city assembly, Chechnya's legitimate government, democratic forces and people asked everyone to condemn that act of barbarity and break off all relations with those who organized it."

The so-called "Chechen question" is no longer solely Chechen, Yaragi Mamodayev said further. It has begun to influence events not only in the Caucasus and southern Russia, but in Moscow itself.

According to Mamodayev, the only way to defuse the Chechnya situation is for the Russian leadership and popularly appointed representatives of the Chechen Republic to hold a political dialogue as equals. An urgently convened assembly of the Chechen tribes should appoint these representatives and draw up an optimum formula for relations with Russian in the interests not only of the Chechens, but persons of other nationality as well.

Chechen Anti-Russian Statements Causing Concern

LD2907.94994 Moscow ITAR-TASS in English 1934 GMT 29 Jul 94

[By ITAR-TASS correspondent Andrey Palariya]

[Text] Moscow July 29 TASS—The temporary administration in the zone under state of emergency rule in Ingushetia and North Ossetia expressed on Friday serious concern over the anti-Russian statements by the Chechen leadership about the situation in this north Caucasian republic.

Such statements should be regarded as a destabilising factor in the North Caucasian region, a spokesman for the temporary administration told TASS.

"Whether it wishes so or not, the Chechen leadership in fact confirms by its statements the off-the-record reports saying it intends to disrupt the Ingush-Ossetian settlement, which discourages refugees and forced migrants from returning to the places of their permanent residence", well-informed sources told TASS. According to them, all this makes impossible "to realize the aspirations of the region's peoples for good neighbourly relations and peace in the Northern Caucasus".

Recently, cases have become ever more frequent when Chechnya virtually interferes into the neighbouring republics' internal affairs, the temporary administration reported. Thus, Chechen authorities warned that they will regard as "aggression" a possible extension of the state of emergency zone to Ingushetia's Malgobek and Sunzhenskiy districts.

Against this background, according to well-informed sources, Chechnya launched undisguised armed provocations, such as appearance of Chechen armoured vehicles carrying armed personnel in the state of emergency zone, spying missions of a Chechen helicopter above strategic objects in North Ossetia's Mozdok district and others.

Military Buildup Reported in Chechen Border Areas

LD3007110394 Moscow ITAR-TASS World Service in Russian 1032 GMT 30 Jul 94

[By ITAR-TASS correspondent]

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[Text] Vladikavkaz, 30 Jul—Chechnya is concentrating military units in its border rayons with Ingushetia and North Ossetia. Rumors of reconnaissance flights by Chechen helicopters over strategic installations in the Mozdokskiy border rayon have grown more frequent. This is reported in a statement today by the Provisional Administration in the state of emergency zone. It is observed that Chechnya's moves could "detonate a deterioration in the situation in the south of Russia."

Chechen Republic Situation 'Remains Calm'

LD3107084294 Moscow *ITAR-TASS in English* 0731 GMT 31 Jul 94

[By ITAR-TASS correspondent Sharip Asuyev]

[Text] Grozny July 31 (TASS)—The situation in the Chechen Republic remains calm. State institutions, economic establishments and public transport in the republic function as usual from Sunday morning. There has been no increase in the number of armed people in camouflage gear in the streets.

The major topic of discussion in the republic is a Russian Government statement on the situation in Chechnya. The authorities in Grozny maintain that they are in control of the situation throughout the republic.

At the same time it is known that the armed group headed by Ruslan Labazanov exercises full sway in the town of Argun while the so-called interim council headed by Umar Avtorkhanov operates more and more boldly in Nadterechny (above-Terek) District. Other forces that are in opposition to Dzhokhar Dudayev also step up their activity.

However, an analysis shows that a majority of the Chechen population have, evidently, not yet determined whom to support and whom to follow.

Chechen Official Calls For Recognition

LD3107123594

[Editorial Report] Moscow Ostankino Television First Channel Network in Russian at 1700 GMT on 30 July, in a review of recent events in Chechnya in its "Novosti Plyus" main evening news program, carries a recording of a statement made in Moscow on 27 July by Umar Avtorkhanov, a leading Chechen opposition figure and chairman of the Chechen Provisional Council.

Introducing the statement, "Novosti" announcer Voskoboynikov compares Avtorkhanov with rival Chechen opposition leader Ruslan Labazanov, leader of an armed unit of "potentially 1,500 men." He says that Labazanov was once one of Chechen leader Dzhokhar Dudayev's "closest comrades in arms" and his opposition to him is based on the desire to avenge a murdered brother, remarking that "some people believe that the confrontation between them is as much rooted in crime as it is politics."

As for the Provisional Council, he says that "it seems that more and more it has started to act as a real alternative to the present regime. It is mainly led by those people who did not side with either the big bosses of the old party economic nomenklatura or with any of the criminal groups operating in Chechnya." "This week," he continued, "the Provisional Council, pressing for Chechnya to stay inside Russia, appealed to Yeltsin to recognize it as the only lawful institution of power on the territory of the Chechen Republic." At this point, Avtorkhanov is shown speaking from behind a table. He says:

"One thing should be clear to the Chechen people: that nobody, neither the Provisional Council nor any one of us, intends to ask Russia to send in troops to restore order. We are avoiding this and Russia does not wish this to happen. Why does Russia not wish for this? Up until now, up until this time, the Russian leadership has striven to find a political settlement for the Chechen question. Well, they have shown patience in this matter and today they have arrived at...[pauses] and I believe that they have no other choice. The Russian leadership ought, then, to respond to our appeal because this appeal was adopted by the Provisional Council. The congress of peoples of Chechnya on 4 July this year approved the Provisional Council and gave it authority, ruling that the Provisional Council is the supreme authority on the territory of the Chechen Republic."

Voskoboynikov then remarks: "It may be assumed that the Russian Government statement is, in its own way, a blessing on Avtorkhanov and his devotees. Dudayev has been warned unambiguously that Moscow intends to defend the interests of Russians, including Chechens, should acts of violence continue on the territory of the republic. The Kremlin's goal is to see free democratic elections in Chechnya and to keep it firmly within Russia." He concludes by saying: "I cannot rule out the possibility that in the near future an emboldened Avtorkhanov will make himself known at the top of his voice on the territory of his own republic."

Chechen Leader Plays Down Political Clashes

MM0108132594 Moscow *PRAVDA in Russian* 30 Jul 94 pp 1-2

[Interview with Chechnya President Dudayev by Viktor Kharlamov, date not given: "The President of Chechnya's Opinion: General Dudayev Full of Optimism and Speaks Out for the Union"]

[Excerpt] Grozny, Moscow—[passage omitted] [Kharlamov] I heard gunfire again during the night and there was an explosion....

[Dudayev] The curfew is still in force in the city, so if you heard shooting they were only warning shots. I am not aware of any other firing. But of course there are the remnants of organized crime. It is headed by a number of criminals who have committed the most heinous crimes.

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They use the following methods: They turn up unexpectedly where there is a crowd of people so as to create panic, set people against one another, and make the innocent suffer. That is why the special services have been given a clear instruction—there must be no shoot-outs with gangs of criminals. They must be disarmed exclusively by operational means.

[Kharlamov] Mr President, there are many rumors circulating today about blood feuds taking place virtually at state level. Is that true?

[Dudayev] This is the most obvious bluff! Blood feuds have their own laws which you do not find either in newspaper articles or in the Criminal Code. The kind of thing that idle journalists have been portraying are not blood feuds.

[Kharlamov] So what are they like?

[Dudayev] Important people come back home and want to settle scores: Certain things are down to your name, they say. We reserve the right to settle this dispute with an eye for an eye, with blood for blood. If the reasons given are conclusive, people either start negotiations for a reconciliation or they declare a blood feud. This is a very ancient and historically established tradition; if you overstep the mark or go too far in your bragging or desire to show what you did when and where, you will pay for the mistake and with interest. But what is being talked about in the press now is absolute hogwash.

[Kharlamov] Recently, to judge from local press reports, some officials of the Interior Ministry and the republic Prosecutor's Office were dismissed from their posts. Why was that?

[Dudayev] That was connected with a failure by officials to discharge functional obligations and their inability to organize normal work. The interior minister, the general prosecutor, the chief of the Criminal Investigations Department, and the chairman of the Supreme Court were removed on the same day, all four of them. But they were not simply removed—I worked with them every day for almost four months on questions of legality and law and the fight against organized crime. During the first month we carried out a daily review of the previous day's work and set the tasks for the day ahead. For example, I was given a report on drugs and weapons that had been confiscated. I summarized those statistics and by the end of the third month I had accumulated nearly a tonne of information. I created a state commission to monitor confiscations headed by the vice president and I asked all these services to provide a material account.... The information placed on my desk did not amount to much.... So I drew the following conclusion: Either you are deliberately giving me false information, which is a crime in itself, or you are selling the things that you confiscate from these gangsters and putting them into circulation, which is also a most grave crime. What to do? I had to draw a conclusion. I sat them all down at the same table and read out the edict dismissing them from their posts.

We have embarked on a course of reorganization, and each stage of the transitional period needs its own structure and its own system. The General Prosecutor's Office and the Justice Ministry were merged and a single ministry was created to monitor the entire situation. Now the justice minister is the general prosecutor. So there is someone specific to hold accountable. That is the first thing.... Furthermore, the individual plays a considerable role in such a situation, especially when at grass-roots level everything is corrupt and is allowed to drift. In this connection I believe that the new minister-cum-prosecutor, Imaev, a man of character with a high level of professionalism, will instill order in the oversight process and will call anyone to account, even the president, the vice president, the government, the parliament, or the law enforcement organs.

[Kharlamov] Recently the edict banning individual officials of the Chechen Republic from membership of parties and public movements was issued. Why was that done, and what is your view?

[Dudayev] If a top state official freely enters office to discharge his duties to the state and the people he must accept the program adopted by the government and that state. But if you choose a different path then you should quit your post and engage in party or public activity, organize your own movement or party, then you can achieve power lawfully. But sometimes someone occupies a state post and wrecks a state program in the guise of sociopolitical activity, takes money from the people's pocket, puts his own people in key positions, and in this way becomes owner of the people's state property but does so bloodlessly. That is also a crime.

[Kharlamov] One final question, esteemed Mr President. In a recent TV interview you spoke in favor of a renewed Union....

[Dudayev] The need for a renewed Union is more acute now than ever. The political and economic preconditions for that already exist. The Chechen Republic will not only welcome such an idea but do its very best to put it into practice. The only thing is that no one should be forced to join it. On the contrary, not everyone should be allowed to join. [Dudayev ends]

While packing my belongings and heading for the airport to catch the flight to Moscow, I heard an ITAR-TASS and INTERFAX report on television that the Shalinskiy Tank Regiment had switched to the opposition side and that there was fighting with Labazanov's detachments in the Argun region. Yet just an hour earlier I had "bidden farewell" to my friends on the banks of the Argun. It was all quiet then....

Opposition Blames Dudayev for Death of Hostages

LD2907160294 Moscow ITAR-TASS in English 1500 GMT 29 Jul 94

[By ITAR-TASS]

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[Text] Moscow July 29 TASS—Following the tragic incident at the Mineralnye Vody airport, in which four hostages and a hijacker were killed during the police attack early on Friday, Chechnya's opposition provisional council released a statement expressing "deep regret over the tragedy and presenting sincere condolences to the victims' near and dear".

We are forced to reiterate once more that during the years of the Dudayev rule, the Chechen Republic has turned into a crime-infested region affecting negatively the whole of the Northern Caucasus, the provisional council said in the statement.

A lot of criminals have been released from prisons to reinforce paramilitary units serving as the only support of the corrupt regime, the authors of the document stressed.

The provisional council called upon all residents of the Chechen Republic, once famous for their hospitality and respect for women, the elderly and children, to rally round the opposition leaders and "to take appropriate measures to save the fatherland, whose very existence is further endangered with every passing day the Dudayev regime remains in power".

FSK Denies Charges on Hijackings

LD2907163394 Moscow ITAR-TASS in English 1608 GMT 29 Jul 94

[By ITAR-TASS correspondent Olga Semyonova]

[Text] Moscow July 29 TASS—The Russian Counter-Intelligence Service (FSK) has firmly denied the statement made by the deputy chairman of the Chechen State Security Department alleging that the Russian FSK had used "Chechen criminal elements under arrest on the territory of the Russian Federation to carry out all four of the Mineralnye Vody hijackings in the last half-year".

Deputy head of the FSK press service Vladimir Tomarovskiy called the Chechen statement on Friday "absolutely groundless".

"Unfortunately, we are forced to note another incorrect, to say the least, statement made by Chechen officials. We would not like to make any political insinuations, but all this does not facilitate the normalisation of relations between the (break-away) republic and Russia", he said.

Speaking at a meeting of Chechen law enforcement officials on Friday, the deputy security chief also accused FSK head Sergey Stepashin of personally giving a premature order to start the hostage rescue operation. In response, Tomarovskiy stated: "That is simply slander. The FSK director interrupted his vacation to arrive in Mineralnye Vody yesterday exclusively in order to coordinate the activity of the counter-intelligence people and the local police. The operation was under the command of deputy interior minister Anatoliy Kulikov".

As far as the wisdom behind the attempt to seize a helicopter full of armed, aggressive terrorists and scared hostages, the FSK spokesman said it was difficult for an outsider to judge, and that the step had apparently been dictated by the specific circumstances of the hijacking.

Interior Ministry Denies Flight Reports

LD3007130994 Moscow ITAR-TASS World Service in Russian 1216 GMT 30 Jul 94

[By ITAR-TASS correspondent Sharip Asuyev]

[Text] Grozny, 30 Jul—"Chechen helicopters have not flown in the Ossetian-Ingush conflict zone and could not have flown there, since the Chechen Republic has only one helicopter and that is a civilian one," the Chechen Interior Ministry's press office reported today. A special statement released by the press office in Grozny says that reports of provacatory incidents in the conflict zone, allegedly organized by Dzhokhar Dudayev, are geared toward discrediting the Chechen Republic and its leaders.

The Chechen Interior Ministry's press office made this statement in response to a report from the provisional administration which operates in the state of emergency zone covering part of North Ossetia and Ingushetia. It said that over the past few days provacatory and intelligence flights by Chechen helicopters had been noticed over the territory of the Mozdok region of North Ossetia, which borders on Chechnya. Massed units from the Chechen Republic had also been noticed in regions of Chechnya bordering on Ingushetia and North Ossetia.

Dudayev Comments on Terrorist Incident

LD3107094894 Moscow NTV in Russian 1500 GMT 30 Jul 94

[Text] Official Grozny today assessed the Russian Government's statement on the situation in the Chechen Republic as a logical link in the propaganda campaign against Chechnya. The aim is to create the necessary conditions for a forcible solution of the so-called Chechen issue, says the document.

Chechen authorities say the situation in the republic remains absolutely calm and fully under control.

[Begin Chechen President Dzhokhar Dudayev recording] The latest information is that they have invented the latest terrorists and sent them as guests to Chechnya in the guise of two commercial travellers [voyazhery] who were attempting secretly to infiltrate the territory of the republic in order to carry out subversive propaganda work. I do not envy them if they come up against the special services—it will be a short conversation, even if they are Russian citizens. [end recording]

Chechens Link Incident to Russian Propaganda

LD0108151494 Moscow INTERFAX in English 1309 GMT 1 Aug 94

[Text] The Chechen Security Department has information to prove that the recent taking of hostages by

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terrorists in Mineralnyie Vody and Russia's propaganda against Chechnya are interconnected. This statement was made in Monday's radio address by the Deputy Chief of Chechnya's Security Department, Hamid Dzhalmaldayev.

According to him, "this chain of provocational actions is monitored by the head of the Federal Counterintelligence Service, Sergey Stepashin, and by the chief of presidential staff, Sergey Filatov." As Dzhalmaldayev said, their ultimate goal is to "destabilize the situation in the Chechen Republic."

"This long-term program of provocations has not been concluded yet, new attempts to aggravate the situation in and around Chechnya can be expected in the next few days," Dzhalmaldayev declared.

In the meantime, as sources in the Security Department maintain, Chechnya's secret services have registered Russian troops concentrated in the area around Mineralnyie Vody and a the deployment of Cossack paramilitary units in the vicinity of borders with Chechnya.

Dudayev Accused of 'Provocations' in Conflict

LD2907163794 Moscow NTV in Russian 1500 GMT 29 Jul 94

[Text] It looks as if the Chechen events are reaching their peak. The harsh statements of President Dudayev and, for instance, his edict to shoot down all Russian aircraft entering Chechen airspace are an indication of this. However, according to POSTFACTUM, all Chechen missile systems have today been put into normal tracking mode. Meanwhile, helicopter flights from Chechnya over the state of emergency areas in the zone of the Ossetia-Ingush conflict have been registered in the last couple of days. We have learned this from well-informed sources in the provisional administration who think that this can be an indication of Grozny preparing an act of provocation to bring into conflict the North Ossetians and the Ingush. According to this source, the Chechen president's entourage is preparing to carry out provocations in the Prigorodnyy Rayon to distract Russia from the situation in Chechnya and from the killing of hostages.

Dudayev Seeks Ban on Russian TV Programs

LD2907140794 Moscow ITAR-TASS World Service in Russian 1146 GMT 29 Jul 94

[Text] Grozny, 29 Jul (ITAR-TASS)—At a sitting of the cabinet of ministers on Thursday Dzhokhar Dudayev instructed experts to look at halting the relay of Russian television transmissions to Chechnya "without prejudice to citizens' interests," the CHECHENPRESS agency reported to ITAR-TASS today.

Dudayev said that this step has been taken because "Russian television and the mass media under the direct

guidance of the official authorities have unleashed psychological warfare against the Chechen state and its people."

CHECHENPRESS reports that yesterday Chechen television showed a reportage on the swearing-in of the tank crewmen of the Shalinskiy regiment. The oath was received by Aslan Maskhadov, head of the general staff of the Armed Forces of the Chechen Republic, and Musa Merzhuyev, the president's representative at the general staff. The agency reports that they "stated that the regiment obeys Dzhokhar Dudayev unconditionally."

Filatov Reports on Human Rights Abuses in Chechnya

LD3007103794 Moscow ITAR-TASS World Service in Russian 0915 GMT 30 Jul 94

[By ITAR-TASS correspondent Anna Melnikova]

[Text] Moscow, 30 Jul—"The situation in Chechnya has now sharply destabilized. There have been major human rights abuses, to the extent that they are beheading people and exhibiting the heads in public places to strike horror into people," Sergey Filatov, the head of the Russian Presidential Administration, told ITAR-TASS in an interview today. He noted the timeliness of the Russian Government's statement on the situation in the region and remarked on the document's "moderation."

Sergey Filatov stressed that the statement in question provides an opportunity for political dialogue with the whole of the Chechen Republic instead of Dudayev.

"If healthy forces have appeared in the Chechen Republic, then they should be examined and supported. Only these healthy forces can restore order. They include the Provisional Council," he said. Sergey Filatov reported that the Russian Federation had still to enter into any negotiations with the Chechen Republic. "Let us wait and observe what happens," he added. Asked if negotiations will be bilateral or trilateral, the head of the president's administration said that the issue had still to be decided.

Cossacks Want Chechnya, Ingushetia Borders Closed

LD3107190094 Moscow INTERFAX in English 1803 GMT 31 Jul 94

[Text] At a meeting in Vladikavkaz, a local Cossack organization decided to close the borders with the Russian republics of Chechnya and Ingushetia and ask the Russian government for permission to patrol roads in the Mineralniye Vody area jointly with police, a Cossack spokesman told Interfax.

The decision came after the recent hijacking of a bus in Pyatigorsk. Five women, some of them Cossacks, died during an operation to release the 40 passengers taken hostage.

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The organization also asked for permission for traffic police and Cossacks to jointly examine motor vehicles, looking for weapons.

The same spokesman said a local Cossack leader had had his son kidnapped a few days ago. The kidnappers telephoned from Chechnya's capital Grozny to say they would name the sum of the ransom on August 5.

Official Says No Serious Opposition in Chechnya

LD0108114094 Moscow INTERFAX in English 1015 GMT 1 Aug 94

[Text] President of the Confederation of Caucasian Nations, Musa Shanibov, has described as a deep delusion the allegations that serious opposition, for Russia to rely on in its confrontation with the official Grozny, exists in the Chechen Republic.

In an interview with INTERFAX on Monday, Shanibov said that in the case of the use of force to solve the Chechen problem, Chechnya will be helped by Ingushetia and Dagestan as well as by volunteer units from the Confederation which practically are outside the control of the Confederation leadership and have their own command structures.

Shanibov believes that the allegations in terms of the violation of human rights in the Chechen Republic, are "overestimated". The fact that the Russian president and the prime minister do not have truthful information on developments in Chechnya, is being done deliberately, said Shanibov.

According to him, the Russian leadership leaves itself room for maneuvering by making statements on Chechnya not from the mouth of the president but from the Russian government.

Any escalation of the Russian-Chechen confrontation will develop in a manslaughter in the North Caucasus with 12 million Russians being hostages, said Shanibov. Such a manslaughter is easy to start, but I believe that to stop or win it will not be easy for those forces which risk committing such a monstrous crime against their own people, said Shanibov.

Yeltsin Wraps Up Three-Day Visit to Krasnoyarsk

Promises To Aid Timber, Railroad Sectors

LD2907120994 Moscow Radio Rossii Network in Russian 0900 GMT 29 Jul 94

[Text] Russian President Boris Yeltsin ended his three-day trip to Krasnoyarsk Kray today. RIA reports that on the last day of his stay in Siberia the president visited the Predivinsk timber industry enterprise, where he held a conference with the managers of sectors of the Krasnoyarsk Kray timber industry complex. The main problem that the conference participants singled out from among

the multitude of problems hampering the normal operation of the timber industry is that the region needs 84 billion rubles to cover the expenditure on the seasonal procurement of timber. The president promised that Krasnoyarsk Kray would be allocated advantageous credits to finance and equip timber procurement operations.

Boris Yeltsin considers railway tariffs to be the second most important problem. He decided to give instructions to Sergey Dubinin, Russia's acting finance minister, to find a way of reducing railway tariffs or slowing the rate at which they increase on the Trans-Siberian mainline.

Visits Private Farm

LD2907121794 Moscow Radio Rossii Network in Russian 1000 GMT 29 Jul 94

[Text] President Boris Yeltsin, who is in Krasnoyarsk Kray, this morning arrived by helicopter at Valeriy Pakhabov's private farm in Sukhobuzimskiy rayon. Leonid Feldman reports.

[Feldman] It was not by chance that the president of the Russian Federation visited the Pakhabov farmstead. The fact is that Valeriy Fedorovich was one of the first farmers in Siberia to go private. He is a candidate of agricultural sciences and a specialist in sheep-rearing. Earlier he worked for a number of years in the advanced experience department of the kray's agricultural directorate and took an active part in devising normative documents on private farming. Five years ago he set up his own private farm, on which he is engaged in grain production, sheep-rearing, and dairy farming.

The president asked Valeriy Fedorovich Pakhabov how things are going today on his farm, his plans for the future, and the problems holding up the future development of the private farming movement in Siberia.

On his flight to the airport at Krasnoyarsk and subsequently to Moscow, the Russian president gave his own summing-up of his three-day visit to Krasnoyarsk.

[Begin Yeltsin recording] There are problems there, and some of them need assistance at federal level if a solution is to be found. All this needs to be taken under special control, and later I will issue instructions or an edict on all the questions we discussed. I believe that it was a very interesting, very necessary, and very useful trip. But I would like to add something about the ecology of the town of Krasnoyarsk—it is impermissible. What is happening now is, of course, simply impermissible. Everyone, everyone must work on this, and especially the kray's leadership. [end recording]

Returns to Moscow

LD2907115894 Moscow ITAR-TASS World Service in Russian 1000 GMT 29 Jul 94

[By ITAR-TASS correspondent]

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[Text] Moscow, 29 Jul—Russian Federation President Boris Yeltsin returned to Moscow today at the end of a three-day visit to Krasnoyarsk. After examining the state of affairs in Krasnoyarsk Kray, he made a number of important decisions, the most important of which deals with the Krasnoyarsk mining and chemical combine, which produces weapons-grade plutonium. Before this September, the president will sign an edict decreeing that the previously mothballed construction of a plant for recovering spent nuclear fuel will be continued, and a modern nuclear power station will be built, at the same time as reactors are gradually shut down and the manufacture of plutonium is cut back.

In addition, the Krasnoyarsk timber industry has been promised credit on favorable terms to finance and equip logging installations to ease its operations. The president has also instructed the acting finance minister to find a way of reducing railway freight tariffs on the trans-Siberian mainline railway.

Comments on Visit

LD2907195294 Moscow Ostankino Television First Channel Network in Russian 1700 GMT 29 Jul 94

[From the "Novosti" newscast]

[Excerpts] Russian President Boris Yeltsin today returned from Krasnoyarsk to Moscow after a three-day stay in the city on the Yenisey River. [passage omitted]

In an exclusive interview with a correspondent of the Information Television Agency, the president summed up the results of his visit.

[Begin recording] [Yeltsin] The political situation here, at least in these cities, is normal, very quiet and stable. It makes it possible for the citizens of Krasnoyarsk to do a good job. Of course, there has been some lagging behind on social issues. This is a serious problem.

[Unidentified journalist] Boris Nikolayevich, you have said Krasnoyarsk kray is a small copy of Russia. What did you think of this copy during the past two days?

[Yeltsin] Well, it is a good copy. This is a good copy and it has been done well. First, it is rich in human talents, very rich, just like Russia in general. Second, it is rich in natural resources—again, Russia is rich in natural resources. Third, the contrasts—it spreads from the polar circle to the extreme south of Russia. Accordingly, the conditions of life and work are different. Therefore such a kray should be managed wisely, taking the differences into account. Very wisely. This is a big kray—Russia is big—and there are a lot of problems. Compared with other regions, this is a big kray. Of course, it has large resources. But it has large problems, too, which one should help resolve. [end recording]

Chernomyrdin Begins Three-Day Visit to Karelia

LD3107171594 Moscow ITAR-TASS World Service in Russian 1204 GMT 31 Jul 94

[By ITAR-TASS correspondents Gennadiy Yezhov, Vladimir Zlobin]

[Text] Petrozavodsk, 31 Jul—Viktor Chernomyrdin, head of the Russian Government, arrived in the Republic of Karelia today on a three-day working visit. At the airport of the city of Petrozavodsk, the prime minister told journalists that he intended to discuss with the leaders of the republic all questions that had come to a head, including on such sectors as machine-building, agriculture, and forestry.

According to Viktor Stepanov, the head of Karelia's executive power, the production slump is continuing. There are especially a lot of problems in the forestry industry where every other able-bodied person in the northern region is employed. It is now in a state of crisis. In comparison with 1990, the volumes of timber procurement and processing have halved.

The Karelian Government has prepared for Viktor Chernomyrdin a number of specific proposals, the implementation of which will enable the production slump to be overcome. In particular, the people of the north are asking for enterprises of the forestry complex to be freed from paying a number of taxes, as well as provision in the budget for compensation for losses connected with the maintenance and development of forestry enterprises and facilities in the sociocultural sphere and the housing fund that are on the border line.

During the course of his visit Viktor Chernomyrdin will visit a number of facilities in the forestry industry. In particular, the Segezha pulp and paper combine, the Petrozavodsk enterprise for the production of paper-making equipment, and the Onega tractor works that produces tractors for timber procurement. Besides this, the prime minister will visit Russia's first commercial railroad from Ledmozero to Kochkoma, with a length of 126 km, which is being built in northern Karelia. It will provide Russia with access via Karelia to five Finnish ports. There will be additional opportunities for the transportation of freight in the north of the country and the industrial development of the region in the area of the railroad, which is rich in natural resources. However, the builders have a number of problems that cannot be solved without the support of the Russian Government. The prime minister will also visit the mine-enrichment enterprise in Kostomuksha—the "Karelskiy Okatysh" joint-stock company—which is the main supplier of iron ore for the Cherepovets metallurgical combine.

The same day Viktor Chernomyrdin will visit the island of Kizhiy where he will look round unique monuments of wooden architecture. Then the prime minister will go to the Suoyarvskiy Rayon of Karelia where he will acquaint himself with the work of the collective of the Ladsenjo joint-stock society that fells timber using progressive Scandinavian technology.

No. Ossetia State of Emergency Extended

LD3107130394 Moscow ITAR-TASS World Service in Russian 1032 GMT 31 Jul 94

[By ITAR-TASS correspondent Valeriy Shanayev]

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[Text] Vladikavkaz, 31 Jul—In keeping with the decree of 25 July by the president of the Russian Federation, the state of emergency on part of the territory of the Republic of North Ossetia and the Republic of Ingushetia was extended from 1400 today, 31 July, to 1400 on 30 September 1994.

Commenting upon this decree, Akhsarbek Galazov, president of the Republic of North Ossetia, said, in particular, that the extension of the state of emergency by two months in a number of rayons of North Ossetia is at present a guarantee of the safety of the citizens of the republic, since the situation remains complex in populated areas of North Ossetia bordering on Ingushetia. Certain forces have an interest in escalating tension in the conflict zone. There are acts of terrorism, exchanges of fire, kidnappings, and also provocative publications in some mass media.

The leadership of North Ossetia, Akhsarbek Galazov stressed, is ready to implement the decrees of the president and the resolutions of the Government of the Russian Federation connected with solving the refugee problem and it confirms its desire to hold a dialogue with the government of Ingushetia on all questions. However, he added, the forced return of refugees to the place of their former residence may aggravate the situation in the conflict zone. The conciliation commissions should resolve this complex problem with the Ossetian and Ingush sides.

In his opinion, the question of repartitioning territory in the North Caucasus region should be removed from the agenda altogether, since that may lead to a new tragedy in the North Caucasus and in the south of Russia.

Maritime Kray Governor's Reelection Bid Profiled

MK3007085794 Moscow KOMMERSANT-DAILY in Russian 30 Jul 94 p 3

[Report by Valeriy Venevtsev: "Political Situation in Maritime Kray. Politicians Getting Ready for Undeclared Elections"]

[Text] Yevgeniy Nazdratenko, Maritime Kray governor and Federation Council deputy, has made an official statement: The region "is forced to start trade in weapons." KOMMERSANT-DAILY will report this in more detail in its next issue, but the statement in itself is rather significant because it indicates not only the weight Nazdratenko pulls with Moscow but also the strengthening of his already enormous influence in the kray. Now the Maritime Kray master perhaps has but one weak spot which in fact cancels many of his strong points—Moscow can remove him from governorship at any moment.

According to KOMMERSANT-DAILY's information, Yevgeniy Nazdratenko's resignation is not so far really

in the cards. The ruling elite seems not to exclude this option, however. The clearest evidence is the preparations started in the kray for electing the head of regional administration. And despite the fact that one of the president's post-October edicts prohibits such elections, the men in the kray are confident of two things: The elections will take place in the fall, and Nazdratenko will win the governorship.

Yevgeniy Nazdratenko, 45, has been at the head of the Maritime Kray administration since May 1993. Before July 1992, he was director of a gold-mining artel, before becoming president of the Dalnegorsk gold-mining "Vostok" company. A former people's deputy, he has been a Federation Council deputy since last December.

The confidence of observers is backed for one by Nazdratenko's powerful Moscow connections. To date, he has managed to get from the center virtually anything he wanted. KOMMERSANT-DAILY has come to know that some time ago the governor sent a letter to Presidential Chief of Staff Sergey Filatov asking permission to hold elections for head of administration in the kray on an experimental basis. Although this information has not been confirmed in the president's staff, it appears rather true because the elections are supposed to finally secure Nazdratenko as head of one of the most promising regions.

Local observers think the governor's only real contender in the elections a short time ago might have been the former Vladivostok mayor Viktor Cherepkov, removed by Yevgeniy Nazdratenko a few months ago on charges of accepting bribes. Cherepkov has recently stated that the charges against him had been trumped up on instructions from the governor, and has promised to prove this in court. But be this as it may, the ex-mayor can now hardly be a serious contender to Nazdratenko.

Yevgeniy Nazdratenko's desire to consolidate his position via "the voters' will" may attest to some far-reaching plans, the implementation of which may not appeal to the center. In the meantime, Nazdratenko has already received permission for privatization "with account to be taken of local conditions" which is different from the privatization methods applicable to the rest of Russia. When the kray stated its intention to create a state-territorial entity, that is to say, to have the same rights as Russia's republics, it gained great independence, while Nazdratenko gained wide rights to rule it.

Thus the local authorities seem to have secured from Moscow all that the other regional elites could have dreamed of. Observers believe it is most probable that the authorities will try to use the possibilities they have achieved to establish maximum control over Russia's relations with the countries of the Asia and Pacific region.

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Maritime Kray Threatens To Raise Foreign Flag
OW3007013194 Moscow Russian Television and Dubl Networks in Russian 0705 GMT 27 Jul 94

[Announcer-read report; from the "Dalniy Vostok" program]

[Text] Yevgeniy Nazdratenko, governor of Maritime Kray, assessed the current situation even more harshly and emotionally: He heartily promised to raise the Korean or Japanese flag on the kray administration building if the region does not receive the necessary means from the federal budget. By this, Moscow once more will have demonstrated that Russia does not need the Far East.

However, in Moscow they prefer to counterattack; instead of trying to grasp the specifics of the region's problems and at least carry out the given promises, officials in the capital exaggerate the thesis of Far East's separatism in every possible way. However, if separatism has evolved, then its roots must be sought in Moscow and not in Vladivostok, Khabarovsk, or Magadan.

Arms Manufacturing Ring Uncovered in Kazan
LD3007174694 Moscow INTERFAX in English 1544 GMT 30 Jul 94

[Text] Members of the department for combating organized crime of Tatarstan's Interior Ministry uncovered in Kazan a clandestine group which had been engaged for two years in manufacturing large consignments of firearms.

As Interfax's correspondent learned from the press center of Tatarstan's Interior Ministry, during the investigations 5 people have been detained. 819 units of firearms, including 73 submachine guns, 32 pistols, 152 revolvers, 75 grenades and over 80 rifles, were confiscated.

According to a spokesman for the press center, some parts of the firearms were made at Kazan's plants and factories. Because of their moderate prices the home-made firearms were in great demand in the black market.

For instance, the submachine guns made in Kazan sold at less than one half of the price charged for those made in Izhevsk. Besides, they could use 9-mm cartridges from the Makarov pistols.

International Affairs

Moroz, Russian Duma Delegation Hold Talks

LD2907194394 Moscow ITAR-TASS in English 1855
GMT 29 Jul 94

[By ITAR-TASS correspondent Mikhail Melnik and UKRINFORM Correspondent Marina Tarnayevskaya]

[Text] Kiev July 29 TASS—"Neither the State Duma nor its Committee for CIS Affairs and ties with compatriots have ever considered laying territorial claims to Ukraine or question its sovereignty", said the committee head, Konstantin Zatulin, on Friday.

Speaking at a meeting between Russian lawmakers and Ukrainian parliament speaker Oleksandr Moroz, Zatulin explained Russia's understanding of the notions "strategic partnership" and "special relations" between Russia and Ukraine, mentioned in the communique on meetings between Russian and Ukrainian parliamentary delegations.

For Russia, these notions mean the top priority of developing bilateral ties, which includes preliminary coordination of moves to be taken in the sphere of international relations and recognition of the two countries' interdependence, above all in the economic field, the Russian lawmaker pointed out.

Both sides at the meeting noted that the recent official visit to Moscow by an Ukrainian delegation headed by the parliament chief resulted in accelerated development of interparliamentary relations between the two countries.

On the instructions of State Duma Speaker Ivan Rybkin, Zatulin presented to Moroz the candidatures of Russian members of the joint parliamentary commission which is to be set up under the Moscow agreements.

Participants in the meeting also discussed some organizational issues and certain aspects of Russian-Ukrainian relations.

During the current visit, the Russian delegation is scheduled to meet Ukraine's President Leonid Kuchma, as well as ex-President Leonid Kravchuk.

To Form Interparliamentary Commission

LD3007111594 Kiev UNIAN in Ukrainian 2015 GMT
29 Jul 94

[Excerpts] Kiev [no dateline as received]—Konstantin Zatulin, chairman of Russia's Federation Council CIS Affairs Committee and head of a Russian delegation visiting Ukraine, told a news conference at the Supreme Council of Ukraine today that a decision was made to form a Russian-Ukrainian bilateral interparliamentary commission. It was also announced that Andronnik Migranyan, an adviser to the Russian president, and Sergey Popov, a member of the Coordinative Council

Presidium of the Association of Entrepreneurs "For the Young Russia," both members of the Russian delegation, intended to meet Ukrainian President Leonid Kuchma, Dmytro Tabachnyk, the head of his administration, and Former Ukrainian President Leonid Kravchuk. [passage omitted]

The Russian guests put forward the idea of a meeting between parliamentary delegations of Russia, Ukraine, Kazakhstan, and Belarus, upon which countries the fate of all other CIS states depended.

Zatulin Sees Possibility of Suspending Nuclear Arms Pullout

LD3007142094 Moscow INTERFAX in English 1255
GMT 30 Jul 94

[Text] Konstantin Zatulin, Chairman of the State Duma Commission on CIS and on Compatriots, believes that under certain conditions Russia could not object "suspension of nuclear weapons withdrawal from the Ukrainian territory."

Responding to our correspondent from the agency Interfax-Ukraine in Kiev Saturday, Zatulin explained that mentioning these conditions he means establishing "relations of strategic partnership between Ukraine and Russia."

In this case "the issue on Ukraine's nuclear disarmament would not be a priority one for Russia."

Having expressed his largely negative attitude towards revision of the signed agreements on nuclear disarmament, Zatulin believes that Russia could treat suspension of nuclear weapons withdrawal from Ukraine due to economic difficulties in this country "with understanding."

He underlined that the nuclear weapons could stay on the Ukrainian territory under the Ukrainian jurisdiction.

Zatulin also indicated that strengthening of cooperation between enterprises of Ukrainian and Russian military-industrial complex "is possible and desirable."

Antimissile Sale to Croatia Refuted

944K1924A Simferopol KRYMSKAYA PRAVDA in
Russian 26 Jul 94 p 1

[Unattributed report: "Ministry of Defense of Ukraine Refutes Reports on the Sale of Its S-300 ABM Interceptor Systems to Croatia"]

[Text] Ukraine's Ministry of Defense has refuted information to the effect that Croatia has purchased from the republic 20 modern S-300 ABM interceptor systems. This information was carried on 19 July in a Serbian weekly as "news."

As a statement disseminated by the Press Office of the Ministry of Defense of Ukraine of 22 July says, "Ukraine

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abides strictly by the generally accepted international rules of law and does not violate the moratorium on sales of weapons to states that are involved in military conflicts." The document observes that "such information does not correspond to reality and could lead to a distorted interpretation of Ukraine's position in a peaceful settlement of the Yugoslav crisis."

The Ministry of Defense statement also emphasizes that such a report discredits the lofty mission of Ukrainian servicemen in the UN peacekeeping force in the former Yugoslavia.

FRY, Ukrainian Minister Discuss Economic Cooperation

LD3007151394 Kiev UNIAN in Ukrainian 1100 GMT 30 Jul 94

[Text] Kiev [no dateline as received]—Ukraine's External Economic Relations Ministry Information and Analysis Service told a UNIAN correspondent today that Oleh Slepichev, external economic relations minister of Ukraine, and Milorad Unkovic, the Federal Republic of Yugoslavia's foreign economic relations minister, had met to discuss preparations for a trade and economic agreement on cooperation between the two countries once the UN sanctions against the former Yugoslavia were lifted, and the supply of fuel oil, kerosine, and electricity from Ukraine to the Federal Republic of Yugoslavia.

An accord was reached on possible deliveries to Ukraine of small tractors in exchange for combine harvesters. The possibility of mutual exchanges of furniture, textiles, agricultural produce, and other consumer goods was also discussed. The sides agreed common lines of activity in the sphere of machine building (ZAZ and KrAZ), aircraft production, and participation in the construction of railways in third countries.

Tatarstan President Arrives in Crimea, Meets Meshkov

AU2907114994 Kiev HOLOS UKRAYINY in Ukrainian 27 Jul 94 p 4

[Unattributed report: "The President of Tatarstan Arrived in the Crimea for Vacation"]

[Text] Tatarstan Republic President Mintimer Shaymiyev has arrived in the Crimea for a vacation. At Simferopol Airport, the distinguished guest was met by Crimean President Yuriy Meshkov, commander of the Black Sea Fleet Admiral Eduard Baltin, and other officials. Shaymiyev told journalists at the airport that the traditional ties of friendship and mutually advantageous economic cooperation between the Crimea and Tatarstan will strengthen and develop. In addition to the supply of energy sources, he listed among such cooperation the exchange of products among enterprises and the creation of joint ventures in the sphere of production, commerce, and services.

National Affairs

Appointment of New Defense Minister Expected

LD0108091294 Moscow ITAR-TASS in English 0641 GMT 1 Aug 94

[Text] Moscow August ITAR-TASS—Sources close to the office of the Ukrainian president told ITAR-TASS that a new defence minister of Ukraine would probably be named this week.

According to the same sources, the present defence minister, Army General Vitaliy Radetsky's chances of remaining in the office are few.

Commander of the Odessa Military District Lieutenant-General Vladimir Skidchenko, Deputy Defence Minister Colonel-General Ivan Oleinik, Chief of Staff Colonel-General Anatoliy Lopata, and Commander of Ukrainian Land Forces Colonel-General Vasiliy Sobkov are regarded as the possible replacements.

Anatoliy Lopata is believed to have the most chances of being appointed, according to the same sources.

The sources, however, did not rule out the possibility of a civilian appointment to the post. In this case, preference would probably be given to Vice Premier Valeriy Shmarov.

Anti-Crime Edict, New Interior Minister Viewed

WS0108090394 Kiev KIYEVSKIYE VEDOMOSTI in Russian 23 Jul 94 pp 1, 2

[Report by Aleksandr Ilchenko and Aleksandr Korchinskiy: "Kuchma Aims at Uprooting Crime"]

[Text] The day before yesterday, Ukrainian President Leonid Kuchma signed an edict on urgent measures aimed at stepping up the fight against crime. This document prompted an equivocal reaction in various sectors of society.

Deputy ministers and chiefs of main directorates were urgently assembled to participate in a meeting at the Internal Ministry [MVD] that same evening. Ukrainian Prime Minister Vitaliy Andriyovich Masol and Lieutenant General Volodymyr Radchenko, deputy chief of the Ukrainian Security Service [SBU], also participated in this meeting. Vitaliy Andriyovich thanked MVD General Andriy Vasylyshyn for his lengthy service and read the president's edict on Andriy Volodymyrovych's removal from office. The prime minister introduced acting Minister of Internal Affairs Volodymyr Radchenko, who was appointed to this post by the president's edict. The Supreme Council session will endorse his appointment on 26 July.

Anatoliy Yermak, member of Supreme Council Commission for Combating Organized Crime and Corruption, says: Crime is international, it knows no borders. This cannot but worry those who must fight against it....

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These are the reasons which prompted the release of the presidential edict in which the proposals drafted by our commission also were also taken into account. Many people were awaiting just such a document to precisely define the direction of coordinated efforts between law enforcement agencies with regard to the current critical situation in the state. It is no secret that the edict by Leonid Kuchma emerged after a similar Yeltsin decree. The stepped up fight against crime in Russia, naturally, triggered the influx of criminal groups to Ukraine, and this will demand that MVD, SBU, and other power ministries take adequate counter measures. I would personally assess the first steps by our president as absolutely justified. Our commission intends to fully support Leonid Kuchma in his desire to protect the law and constitutional rights of our citizens.

As for Volodymyr Radchenko, I know him as a man of exceptional decency, honesty, and devotion to his life's work. I had to work with him and saw him, as some like to say, untarnished. In my opinion, the choice of a candidate for the post of acting minister was good. Volodymyr Radchenko knows about the outbreak of crime in the state not from other people's words, because he and his officers were closely involved in the investigation of such scandalous cases as the "Blasko" concern "oil case," the attempt on the life of People's Deputy Volodymyr Bortnik, the activities of "UKRAGRO-TEKHSERVIS," the pumping of large sums of money out of Ukraine, and others. He is a professional with an impeccable reputation, a strong-willed and uncompromising man.

Yelena Bondarenko, deputy chairman of the People's Rukh of Ukraine says: I will express my personal opinion. The outbreak of crime, of course, demands that the government take the most decisive measures to combat it. At the same time, human rights should not be violated under any circumstances, while the president's edict, dated 21 July, causes some anxiety. The people who are removed from politics call Rukh and ask: Are we really defenseless in the face of possible lawlessness in the law enforcement organs? Their officers can enter our homes any time and look through our papers and documents, or take them and their owners into custody?... Being aware of the true situation with the staffing policy in these bodies, it is not difficult to suppose that there can be some abuses of office. People who live in hostels and hotels are especially worried because, in accordance with this edict, "systematic searches"—even with good intents—will be conducted. The people, however, can virtually be deprived of a quiet life. It is not ruled out that—given such a situation—we will have to revive the human rights movement in Ukraine.

Personally, the appointment of the SBU general to the post of MVD minister puts me on edge. I cannot say anything about Volodymyr Radchenko as a person, but he comes from the former KGB which, as is known, treated dissidents inhumanely.

Security Officer Shoots Senior Officials, Kills Self

AU2907104994 Kiev HOLOS UKRAYINY in Ukrainian 28 Jul 94 p 2

[Unattributed report: "There Are Several Versions, but the Situation is Still Not Clear"]

[Text] Last Saturday [23 July], Colonel Viktor Ratnyuk, deputy chief of department "K" (a subunit for combating corruption and organized crime) entered the office of Vasyl Horbatiuk, chief of the Lvov Oblast Administration of Ukraine's Security Service, and suddenly started shooting with his pistol. Both the person whose office it was and his deputy, Anatoliy Shershun, who heads "K" department, were slightly wounded. The attacker then turned his gun on himself. He died instantly.

What caused the tragedy in Lvov at noon on Saturday?

"There are several versions," we were told at Ukraine's Security Service Press Center. "However, the investigation, conducted by the Military Procurator's Office of the Lvov Garrison will clarify what happened."

An operational group of Ukraine's Security Service has left urgently for Lvov, but, so far, the Press Center has received no information from it.

Kuchma Proposes Constitutional Agreement

LD3007141394 Moscow INTERFAX in English 1255 GMT 30 Jul 94

[Text] Ukrainian President Leonid Kuchma proposes to sign a constitutional agreement, which would determine the major directions in the reforming of the state power structure, to all power branches.

A top-ranking official from the presidential administration told the agency Interfax-Ukraine that such an agreement is necessary due to the present situation "on which nobody can rely."

He pointed out that the existing Basic Law is controversial and many of its provisions do not correspond to the principle of powers division.

The constitutional agreement, the agency's interlocutor said, can be signed by the president, chairmen of the Supreme Soviet and the Supreme Court, and chairmen of the regional councils.

He views this agreement as the first step on the way to the convocation of a constitutional assembly which could consider a draft of a new Constitution.

The official does not rule out possibility that the major provisions of the new Constitution can be adopted at a referendum.

Earlier chairmen of the Kiev, Kharkov, and Odessa city councils, of the Dnepropetrovsk, Kharkov, Lvov, Odessa, and other regional councils expressed their backing to the president's initiative, the official said.

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Kuchma Moves Ahead With Economic Reform Program

LD2907171094 Moscow INTERFAX in English 1527 GMT 29 Jul 94

[From the "Presidential Bulletin" feature: by correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov, and others]

[Text] Ukrainian President Leonid Kuchma signed a resolution Thursday instructing the government to draft laws on economic reform.

The Cabinet of Ministers, the National Bank, the State Property Fund, and the Anti-Monopoly Committee are commissioned to prepare a draft decree on currency regulation and debt payment by enterprises by means of promissory notes. The draft is to be submitted to the president by August 5.

Bills on the protection of Ukraine's domestic market and the regulation of customs control, on the issuance of bonds, on the taxation of enterprises, on the discount rate of the National Bank of Ukraine, and on the reform of the budget system are to be prepared in the period from August 10 through September 20.

IF Note: According to the agreement reached between Leonid Kuchma and Executive Director of the International Monetary Fund Michel Camdessus several days ago, Ukraine's and IMF's experts are to prepare a program for stabilization of the Ukrainian economy by the same time. If the program is coordinated with the Fund's leadership Ukraine will be able to receive a stabilization credit totalling about \$700 million.

The bill on currency regulation should provide for the resumption of trade at the Ukrainian Interbank Currency Exchange and the gradual convergence of the market and official exchange rates of the karbovanets with foreign currencies. Trading at the Ukrainian Interbank Currency Exchange was suspended in November 1993. It was resumed this spring but only with respect to the Belarussian ruble.

Addressing the parliament Thursday Prime Minister Vitaliy Masol reconfirmed that the moves aimed at the recovering financial situation in the country will enjoy priority in the Cabinet's activity. He declared that in the near term the government intends to adopt several measures to liberalize tax policy and the system of currency regulation. Masol reported that over the first half of 1994 the national income in Ukraine has dropped by 28 percent compared with the same period last year.

Masol called on the Ukrainian parliamentarians not to adopt the resolution on introduction of a moratorium on privatization. This variant was foreseen in the draft resolution which the Supreme Rada discussed at its plenary session Friday.

As Masol said, it is necessary to continue privatization of the whole consumer service. At the same time he believes that one should not hurry with privatization of the basic branches of industry.

Kuchma Steps Down From Industrialists' Union Post

LD2907175094 Kiev UT-1 Television Network in Ukrainian 1600 GMT 29 Jul 94

[Text] A ceremonial sitting of the board of the Ukrainian Union of Industrialists and Entrepreneurs took place in Kiev today. At the sitting Leonid Kuchma, president of Ukraine, gave up his powers as president of this organization. This is demanded by law. Vasyl Yevtukhov, who had already been head of this structure previously, became the new head of the Ukrainian Union of Industrialists and Entrepreneurs.

Reaction to Kuchma's Election Win

URP Leader Horyn Comments

WS2907131594 Lvov VYSOKYY ZAMOK in Ukrainian 21 Jul 94 pp 1,2

[Report on interview with Ukrainian Republican Party Chairman Mykhaylo Horyn by unidentified VYSOKYY ZAMOK reporters; edited by Yuriy Borutskyy; in Lvov; date not given: "So Far, We Have Radiant Hopes. Time Will Reveal the Truth"]

[Excerpts] This time, the VYSOKYY ZAMOK editorial board has been visited by Ukrainian Republican Party [URP] Chairman Mykhaylo Horyn. Before responding to journalists' questions, he voiced his opinion on the recent presidential elections in Ukraine.

All forecasts are based on realistic grounds, Mykhaylo Horyn began. Running in the elections, [Ukrainian President] Leonid Kuchma focused on both the domestic and foreign policies of his predecessor in the presidential office. In his attitude toward these policies one should see the foundation of his future state doctrine. In KYIVSKI NOVYNY, Kuchma criticized [former Ukrainian president] Leonid Kravchuk's foreign policy, for his excessive attachment to the West, and vice versa, for creating artificial misunderstandings with the East. The Republicans were also criticizing Kravchuk, but for the slow secession from the political union named the CIS. In this way, we obtain two views on the further development of the Ukrainian state. Being oriented toward the West, URP and Kravchuk saw Ukraine as a Central European state, which should play an important role in the stabilization of the political situation in Europe. Kuchma is oriented toward a "brotherly union" with Russia. The Republicans do not stand against cooperation with our northern neighbor. Yet, we should first decisively dissociate ourselves from the former empire. We must firmly stand on our own two feet, and finally get over our inferiority complex. Our sovereignty, the inviolability of our borders should be recognized not only by Russia's governmental circles, but also by every Russian. Such a situation can be achieved in a tough battle. Yet, we must start doing that today, because tomorrow it may be too late.

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Mykhaylo Horyn later touched upon the issue of Ukraine's borders and its attitude toward an economic union within the CIS boundaries.

[Horyn] We are currently on the eve of a debate on a draft statute of customs border of Ukraine. According to the draft, the customs border is considered internal. The external border is seen as the CIS border. The talks on economic union have again resumed. If Ukraine becomes a member (currently we are an associate member—Yu.B.), we will not be able to participate in other economic agreements in Europe as a full member.

If Ukraine is to become an independent state, it should be oriented 360 degrees around itself, meaning that it should build an oil terminal in Odessa and search for alternative energy sources, for example, in the Middle East. So, Kuchma's orientation toward the East should alarm all conscious Ukrainian citizens. It is hard to predict how Kuchma will act. In any case, one should be careful. In this regard, activity of the entire nation should be very high.

[VYSOKYY ZAMOK] Strange metamorphoses sometimes happen in politics. Four years ago, the majority of Galicia voted against Kravchuk. Now, they voted for him. Can it happen so that our region votes for Kuchma in four years? At his latest news conference, he spoke in Ukrainian, advocated a unified Ukrainian state...

[Horyn] To compare is not a research method. Yet, let us recall the fate of Hetman Ivan Bryukhovetsky [18th century Cossack leader]. Having become hetman of common Cossacks, having opposed senior Cossacks, he went to Moscow to obtain the title of boyar. Time passed, and Bryukhovetsky was killed. A man comes to power and wants to be a master. I admit that such a metamorphosis is possible, and it would be the best option to resolve the current political situation. This is however a radiant hope: The truth may prove to be somewhere in the middle. The reorienting of our foreign policy toward Russia can proceed not as quickly as Kuchma's entourage would like to see it. The latter are not really attractive. Former dissident Malenkovich has recently been opposing Ukrainian statehood. He is a person close to Kuchma. I do not even mention such an odious figure as Petro Lelyk, who began his political career in Lvov. At Kuchma's first news conference after his election, Myroslav and Halyna Levytsky were denied accreditation. During Leonid Kravchuk's term, such a thing would have been impossible. Now, [Presidential Administration chief] Tabachnyk is conducting his own policy, and he has his own understanding of the freedom of speech and democratic principles in our journalism.

[VYSOKYY ZAMOK] After all, why did they deny Levytsky admission to the news conference?

[Horyn] They simply denied him admission. The press will publish some explanations regarding this incident.

Of course, one can disagree with these journalists. But one cannot forbid them from taking part in a news conference.

[VYSOKYY ZAMOK] What do you think is Leonid Kravchuk's place in politics right now?

[Horyn] Leonid Kravchuk, as everybody knows, is running in the Supreme Council elections. I believe that it will be hard for him to find a place outside the entourage of national democrats in parliament. I doubt that the communist faction will not admit him, since they consider him a traitor. What position he will assume, however, depends on how he acts. As the president, he could maneuver; having become a political activist, he can choose a more precise position. Vagueness will not work here.

[VYSOKYY ZAMOK] How, in your opinion, will relations between Leonid Kuchma and parliament develop? After all, Kuchma has stated that the Supreme Council must draft laws, not govern.

[Horyn] I want to state that the majority of Supreme Council deputies are attempting to brake the process of economic transformation. Leonid Kuchma has termed himself a leader, who will stimulate economic transformations and introduce a market economy in Ukraine. This is an objective reason why there may be tensions between the parliament and Kuchma. The Socialists and the Communists have supported Kuchma in the Supreme Council. He therefore received additional votes with the help of the leftists. They were trying to reach rapprochement with him, but having defined his position in economic issues as a reformist one, he will clash with the Supreme Council.

[VYSOKYY ZAMOK] Apparently, the elections again divided Ukraine. The east voted with their wallets, the west—with their patriotic heart. You call on people to unite, but when will party leaders unite to not divide the people?

[Horyn] The point is not only that the people are baffled by parties' vagueness. The reason lies deeper. On 1 December 1991, the people voted for a Ukrainian state. On the left bank of the Dnepr, however, people thought that the independence would instantly make all of them happy. Material values came to the fore. I have in mind a different state of consciousness. Those who hoped to immediately obtain a return, were outraged that for two years they were living in a state of economic tension, and we finally obtained the result that the left bank voted for communists. Ivan Franko [famous Ukrainian writer], while analyzing the outcome of the abolishment of villeinage in Galicia, criticized those who were claiming that Galicia was not ready for that process. Can one teach a man to swim without throwing him into a river, Franko said. A similar situation exists now. People are looking toward the past to comfort their souls. When they say that one must work in the east, they mean to reach such a level of our people's consciousness, at which

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a national state will become a treasure, for which it is worth dying. Thus, our mission is to elevate consciousness to such a level, at which the state becomes a spiritual value. It is impossible to build a state without it. The experience of Japan confirms that patriotism is one of the factors of renaissance. It is a patriotism that influences economic development.

Now, let me say a few words about parties' participation in our political life. The consolidation of the Ukrainian nation is one thing, and the level of political culture of our parties and their leaders is another. If we had elected people's deputies not according to the majority system, between 15 and 20 parties would have been relegated to the sidelines of history. Only leading political forces would have dealt with politics. Perhaps then we would have clearly noticed that Kravchuk, given all his shortcomings, was a man who was strengthening the national state. Kuchma's orientation does not conform to our view of strengthening the Ukrainian state. [passage omitted]

[VYSOKYY ZAMOK] There is currently a trend to unite different political forces. Is URP participating in this process?

[Horyn] For a year, we have been holding talks with the Democratic Party of Ukraine [DemPU] to establish one party. I believe that the first step in this direction has already been taken. On 22 July, the first meeting of the URP Command and DemPU Presidium will discuss preparations for a future joint congress. [passage omitted]

Nationalist Leader Khmara Interviewed

WS2907143094 Kiev KHRESHCHATYK in Ukrainian
26 Jul 94 pp 1,2

[Interview with Stepan Khmara, chairman of the Ukrainian Conservative Republican Party, by UNIAN correspondent Andriy Vynnychuk; place and date not given: "To Become a Great State"]

[Text] [Vynnychuk] Mr. Khmara, what is your attitude to the election of Leonid Kuchma as president of Ukraine?

[Khmara] A positive thing is that Kravchuk was finally removed, because under his "reign," Ukraine suffered colossal losses. All Kravchuk's actions can be termed the era of "Kravchukism," which consisted of the growth of arbitrariness, lawlessness, and massive corruption; protection of the Mafia and organized crime; and enormous pilferage of Ukraine's national wealth. Kravchuk's main fault was that he was a protector of the Mafia in Ukraine, and that organized crime, once it had established its structures, infiltrated all cells of the state, and now, it is practically impossible to fight against it—this is Kravchuk's fault.

[Vynnychuk] Was there, in your opinion, anything positive during Kravchuk's presidency?

[Khmara] There was nothing positive, no matter what was said by the official propaganda, which was very brutal and deceitful, and which was trying to portray this period of ruin as a state-building process. This was by no means the case. Let us look at the capabilities we had some two years ago when this all started, and at what we have now. This is earth and heaven! Ukraine really suffered colossal losses, it was simply brought to the verge of chaos. Ukraine's "prestige" in the international arena is a lie. There had been a sort of interest in Ukraine in the first place, but later state leaders realized who Kravchuk actually was, and although they did not make direct statements due to diplomatic etiquette, everybody knows that their attitude was very negative. Ukraine was not considered seriously; not seen as a full-bodied state. It must be said that Kravchuk made every possible effort to create Ukraine's inferiority complex in the international arena. This was accompanied by continuous complaints that Ukraine is poor, and by begging for any sort of help from the entire world, at the same time as billions of dollars were being taken away from Ukraine and invested in other states' economies. Second, the unilateral disarmament of Ukraine also caused great damage to our state, and it was accompanied by an impression that we are apparently unable to control or possess anything. We could reduce our nuclear arsenal, but we should possess and control a part of it. Ukraine had every chance to do that, but it lacked the will of its political leader. Thus, I cannot see anything positive in his policy, and the widespread atmosphere of this lie was repugnant, particularly during the election campaign.

[Vynnychuk] What could you say about the new president?

[Khmara] Leonid Kuchma is a good man, and he is incomparably more competent than Kravchuk, who was a simple Soviet communist propagandist. His entourage was simply awful. Leonid Kuchma is a man of healthy morale, and now everything depends on how he will express his will, and what kind of team he will be able to establish, because currently one must carry out structural economic changes to make our developing national economy self-sufficient.

Second, one must protect the achievements, first of all technological ones, of our defense industry, because it is the most valuable asset we inherited from the Soviet Union. We need it to directly guarantee our national security.

Relations with Russia should be based on good-neighborly and mutually beneficial foundations, but not on unions. A market can be built without any unions! One should not even talk about it: The state has not yet been fully formed, and a national economy has not yet been established, thus a union means to freeze all processes of structural changes.

[Vynnychuk] Stepan Ilkovich, will Leonid Kuchma manage, in your opinion, to integrate the interests of both western and eastern Ukraine through his policies?

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[Khmara] I would say that this is an unnatural opposition—western and eastern Ukraine. As a matter of fact, such an opposition does not exist, but there is no tight integration and understanding either, and this is again the gross fault of the former president. Actually, Ukrainians—some of them intuitively, some consciously—want a better life, and this can only be achieved in their own independent country. Propaganda should be aimed at this direction, not at some CISes, economic unions, or Dagomys or Yalta Treaties...

By the way, the Crimean problem was created by Kravchuk. It is hard to predict how the current president will resolve it, because all these processes have gone so far, that one must cleverly, though with determination, alleviate this crisis step by step. A positive thing is that the Crimeans quite actively voted in the presidential elections. It is not important whether or not they voted for Kuchma. They voted for a Ukrainian president, and in this way, they elected the Ukrainian president. They did not boycott the elections, and this alone was a correct step. Now, everything will depend on whether the people will believe that the president and his team want to handle the affairs in a way so that there are prospects for the future. So, if these processes will proceed in a normal direction, this will guarantee that problems in both Ukraine and Crimea will be resolved.

[Vynnychuk] *What forces do you think can currently be termed state-building in Ukraine?*

[Khmara] I think that state-building forces in Ukraine are, first and foremost, those conscious citizens who have decided that they need a state to take advantage of their capabilities. I believe that there are more and more such people, including those who have not yet learned their language, because it is not so simple, one cannot do that overnight. Nevertheless, state-building views have already appeared in the consciousness of these people, and this contingent of people can become a basis for various political organizations, which are, or will be standing on state-building positions.

[Vynnychuk] *Do you see any prospects for cooperation between the Ukrainian Conservative Republican Party and political organizations such as the Ukrainian Republican Party [URP], Rukh, the Congress of Ukrainian Nationalists [KUN], the Ukrainian National Assembly [UNA], or others, given the current situation in Ukraine?*

[Khmara] Regarding URP, if its leadership, platform, ideology, and what is the primary thing, the atmosphere within the party, are not changed, there will be no prospects. Rukh as a civil organization has already exhausted itself. An organization without a clear political platform, without ideology... Such an amorphous structure cannot exist for long. The process of political differentiation is under way. This is a normal process. Regarding the wing of nationalist organizations, we are also an organization that stands on the rules of Ukrainian nationalism, and we will cooperate with true nationalists. Still, I have certain reservations toward

KUN, since this organizations was not established according to the rules and principles of Ukrainian nationalism, in terms of methodology. This is again an amorphous organization, which has been joined by very different people. Regarding UNA, we are cooperating to a certain degree. We cooperated during the elections—we did not cross each other's ways. In general, all this depends on what line the leaders will advocate. We can all be united by one thing—a common goal and work for the Ukrainian national idea, to create a strong Ukrainian state.

I am far from establishing a unified political structure—this is unrealistic. Yet, the current structures, through cooperation, common tactics and strategy, and permanent consultations, can enter on a path which will make it possible for strong political parties to appear in Ukraine in a certain period of time. They cannot appear and become strong or large immediately. In general, the idea of a mass political party is fiction; such parties exist nowhere, except for countries with totalitarian regimes.

[Vynnychuk] *How do you assess the new Supreme Council and its chairman—Oleksandr Moroz?*

[Khmara] I believe that a political activist, who bets on communist postulates, has no prospects. I therefore consider Moroz a shortsighted politician. Those who have been following the Supreme Council debates understand everything. Comparing the current and former configurations of forces in the Supreme Council, the former parliament was much better, though we had a great many grievances against it. If this situation continues, this parliament will have no prospects. Actually, it will no longer be a parliament, but a party congress, similar to those in the communist system. I see many uneducated people in this parliament, who have no idea about legal culture or a law-governed state; only true legislators know how to create a legal basis. Those who are interested in politics can see a difference between former speaker Plyushch and Moroz. Of course, Moroz will never rise to the level at which Ivan Plyushch was, though people (especially myself) had many grievances against the latter as well.

[Vynnychuk] *Mr. Khmara, what are your predictions for developments in Ukraine, for instance, over the next year?*

[Khmara] We will move forward, but this path will be extremely hard, because those capabilities which gave us opportunity to move faster and easier were lost and wasted. Yet, no matter what develops, we will somehow proceed toward strengthening our statehood. I do not believe that there will be a war in Ukraine, or that a fifth column will arrive in Ukraine to destroy our country, to divide and ruin our great state (and we really have prospects to become a great state, since we have all grounds to achieve that, in terms of territory and strategic location).

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Local Council Chairmen Voice Support

LD2907224594 Kiev UNIAN in Ukrainian 1745 GMT
29 Jul 94

[Excerpt] Kiev—A statement by 47 chairmen of oblast and town councils, Kiev and Sevastopol city councils, demands that "the accelerated formation of a single line of state executive power, and headed by the president be adhered to." This was circulated today in the Ukrainian Parliament. The authors of the statement believe that Leonid Kuchma's initiative to draw up a constitutional agreement, which would determine the strategic directions for the formation of a new structure of state power in Ukraine, should be supported, and that the adoption of legislative acts which would change the system of power in Ukraine unilaterally and without coordination, before such an agreement is drawn up and a mechanism to balance all branches of power is formed, should be considered inadmissible.

President Leonid Kuchma has also sent an appeal with corresponding contents to the Supreme Council. Assessing these appeals at a news conference on 28 July, Supreme Council Chairman Oleksandr Moroz observed that they would be taken into account, but that Ukraine's Supreme Council would have the last word. [passage omitted]

Main Crimean Party Hails Victory

WS2907140194 Simferopol KRYMSKAYA PRAVDA in
Russian 20 Jul 94 p 1

[Statement issued by the Republican Party of Crimea; place and date not given]

[Text] On 10 July 1994, the Ukrainian people made their choice; they elected Leonid Kuchma as their president. More than 1.2 million Crimeans, having voted against Leonid Kravchuk, expressed no confidence in the policy of disuniting brotherly Slavic peoples, nationalism, and "independence," which is alien to the overwhelming majority of Crimeans.

The Republican Party of Crimea (the party of the Russian Movement of Crimea) [RPK-RDK] consciously did not launch a campaign aimed at boycotting the elections, to remove from the political arena Leonid Kravchuk—one of the initiators of the shameful Belovezha agreement, who became a guide for the west-Ukrainian national-separatism. RPK-RDK reassures of its intention to demand the full implementation of the results of a referendum held on 10 January 1991, when 93 percent of Crimeans voted for the restoration of the Republic of Crimea, as a full participant in the Union Treaty, and currently in the CIS.

RPK-RDK believes that the first step should be the transition of relations between Crimea and Ukraine to a legal-treaty basis, which was envisioned by the Constitution of the Crimean Republic dated 6 May 1994; and

it hopes that the new Ukrainian leadership will display an understanding in this regard.

In the new leadership the Crimeans would like to see forces, which would be able to put aside nationalistic ambitions; conduct a policy of rapprochement with Russia; and build relations with Crimea, based on respect and benevolence, as well as taking into account the Crimean people's will, expressed during the 20 May 1991 referendum.

The RPK-RDK Coordinative Council.

Meshkov Signs Pacts With West, Russia, Ukraine

WS2907124994 Simferopol KRYMSKAYA PRAVDA in
Russian 22 Jul 94 p 1

[Report by O. Volodin: "Germany and Switzerland Are Ready To Cooperate With Crimea"]

[Text] Crimean President Yu. Meshkov's meeting with representatives of Crimean mass media was devoted to the results of his recent visit to Germany and Switzerland.

During his visit, which was of a businesslike nature, the Crimean president met with representatives of governmental and business circles from both Germany and Switzerland. The meetings resulted in the signing of a number of agreements. For example, a preliminary agreement—on investing in a number of long-term projects in the Crimea—was signed with the German side. These projects include housing construction, vocational training, development of telecommunications, upgrading of dock facilities, ferries, hotels, improvement of Crimean reserves, and so on.

According to Yu. Meshkov, the total amount of investment exceeds the yearly Crimean budget by several times.

A number of prospective agreements have also been signed in Switzerland. Among them, we should first of all mention the opening of the Crimean Trading Office in Switzerland. Business relations with international banks located in this state have also been established. The International Bank for Reconstruction and Development, in particular, is going to open an office in the Crimea in the immediate future. Negotiations have also been held with experts from the European Union and CSCE.

Swiss bankers and industrialists, like their German colleagues, are going to invest in the Crimean economy. The question is only whether the Crimea itself is ready to accept these resources and efficiently deal with them. According to the Crimean president, this condition could be met if the current legislation is considerably changed. Given such extreme economic conditions in the Crimea, extreme powers—with which the Crimean legislature has to endow the government—are needed.

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Yu. Meshkov has again spoken for the adoption of corresponding amendments to the Crimean Constitution by the Supreme Soviet to confer legal force to presidential edicts.

The Crimean president deemed the maximum amount of openness in the Crimean economy to be a key priority. Agreements on economic cooperation with the Moscow administration and leadership of other regions of the Russian Federation, as well as with Donetsk, Odessa, Kherson, and Dnepropetrovsk Oblasts of Ukraine, have also been signed.

Answering a question concerning the prices for bread in the Crimea, Yu. Meshkov said that they will remain unchanged as state subsidies will be granted from the Crimean budget.

Meshkov Asks For Special Powers

MK2907123094 Moscow NEZAVISIMAYA GAZETA in Russian 29 Jul 94 p 3

[Aleksandr Pilat report in the "Crimea" column: "The President Still Demands 'Rule-by-Decree Powers.' The Deputies Have Adopted a Law on the Constitutional Court"]

[Text] On 27 July Crimean Republic President Yuriy Meshkov, escorted by body guards, met with citizens who assembled, as usual, on the square before the Supreme Soviet building.

Touching on his recent trips to Switzerland and Germany, Meshkov said that there is agreement on extending Crimea investments which exceed the peninsula's annual budget several fold. However, for this to become a reality, the president must receive "rule-by-decree powers" (the Crimean Supreme Soviet refused Yuriy Meshkov the rights to issue edicts on matters not regulated by the constitution and other legislative enactments of the Crimea republic). MESHCHANSKAYA GAZETA, which has the largest circulation in Crimea—200,000 copies—recently reported that unless President Meshkov obtains such powers, he intends to dissolve the Crimea Supreme Soviet.

Yuriy Meshkov specially stressed that he had come out to meet the people because he is against flying to Switzerland. The Crimean president stated the need "to cast aside, for the time being, all political issues, and attend only to the economy." According to Meshkov, this is what he intends to do and therefore he does not approve of more new initiatives by Crimean Supreme Soviet deputies on political matters.

The first session of the Crimean Supreme Soviet, which continued its session after recess, adopted in the first reading a draft law on the Constitutional Court of Crimea.

The discussion of the question of publishing a collection of legislative enactments of the Crimean republic did not

proceed smoothly. The stumbling block was a proposal by the permanent faction of the Crimean Tartars' Kurultay in the Crimean Supreme Soviet to print this publication in the three state languages of the Crimean Republic: Ukrainian, Crimean-Tatar, and Russian. The deputies voted four times on this issue. However, the position of the majority did not change substantially. A decision was made to publish the collection only in Russian.

The session began a debate on creating a state radio and TV council and a state TV and radio company, Crimea. Reporter Mikhail Bakharev said that in the future the TV and radio company, Crimea will be financed not by Ukraine, but the Crimean republic. According to him, "all TV and radio journalists, who are engaged in subversive activities against Crimean statehood," will be dismissed.

Crimean Supreme Soviet Chairman Sergey Tsekov, interrupting the session, said that present at the session was Sergey Baburin, deputy of the Russian Federation State Duma, who arrived in Crimea on 28 July. Sergey Baburin is expected to hold a press conference. It has transpired that former Russian Federation Vice President Aleksandr Rutskoy is arriving in Sevastopol today; he intends to meet with the Crimean president and deputies of the Crimean parliament, as well as with the Sevastopol city authorities and the Black Sea Fleet command.

Saburov Says Kiev's Attitude To Crimea Changing

LD3007144794 Moscow INTERFAX in English 1255 GMT 30 Jul 94

[Text] Following his two-day visit to Kiev, the Crimean Deputy Premier, Yevgeniy Saburov, has said that Kiev's attitude to the Crimea changed sharply, Interfax learned from his press secretary, Galina Kostina.

According to her, the deputy premier said: The Crimea is reckoned with; its specific situation is understood; it is stressed that the Crimea is a republic with its own face and economic development, not just an area of Ukraine.

Now the Crimean government is invited to Kiev to discuss crucial issues, and this has broken the "information isolation" of the Crimean leadership.

In Kiev Saburov conferred with members of Ukraine's Cabinet of Ministers and with presidential aides. As Kostina said, they discussed how to reform the Crimean economy, and give aid in oil products to the areas in the Crimea which were struck by a draught, mud slides or rains.

According to Kostina, Kiev promised to increase gas supplies to the Crimea, but the talks on this issue will be continued.

Besides, Saburov discussed with members of Ukraine's government the role played by the Crimea in carrying out reforms in the country.

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"We think it is right for us to take part in assessing the various actions of the Ukrainian government and maybe in working out recommendations, focusing on the role played by the Crimea," Saburov said.

Parliament Slows Privatization Process

LD2907201694 Kiev UT-1 Television Network in Ukrainian 1800 GMT 29 Jul 94

[Text] The first session of Ukraine's Supreme Council completed its work today. Key state problems were resolved at recent plenary sittings.

After a lengthy and tense discussion the deputies adopted a resolution on improving and increasing control over the privatization mechanism in Ukraine. In connection with the fact that tasks of the state privatization program are not being implemented, the course of privatization in Ukraine was acknowledged to be unsatisfactory. The Cabinet of Ministers is charged with determining by 15 August this year a list of facilities not subject to privatization in connection with their state-wide significance, above all the fuel and energy complex, transport, and communications, and with submitting it for approval to the Supreme Council in September of this year.

At the proposal of the Communist group the following formulation was added to the resolution: Until the Supreme Council confirms the list of sectors and facilities not subject to privatization, Ukraine's State Property Fund, and also its regional branches, are to suspend the conclusion of treaties on the purchase and sale of facilities and leasing with subsequent purchase.

Oleksandr Moroz, chairman of Ukraine's Supreme Council, stressed that this did not mean that the privatization process in Ukraine had stopped.

The Supreme Council adopted a resolution on the work of Ukraine's National Bank, the balance of its activity and the consolidated balance of Ukraine's banking system, and the distribution of the profits of Ukraine's National Bank for 1993. One of the key points was: Ukraine's National Bank is prohibited from granting credits to enterprises, organizations and individual sectors via commercial banks.

The law on the poverty level determining the mechanism of approaches to this important social problem was adopted in its first reading.

The deputies adopted the law on preventive custody of the individual, directed at combatting crime. The law temporarily introduces preventive custody of individuals suspected of intending to commit or of having committed grave crimes.

The deputies decided to examine the issue of forming a commission for preparing Ukraine's new constitution at the second session of Ukraine's Supreme Council. The draft law on local councils of people's deputies will be examined in its second reading. Oleksandr Moroz,

chairman of Ukraine's Supreme Council, summed up the first session. The second session of Ukraine's Supreme Council will be convened in September.

Democratic Parties Unite Forces

944K1903A Donetsk AKTSENT in Russian
26 Jul 94 p 1

[Report by O. Chernaya, VSEUKRAINSKIYE VEDOMOSTI: "Democratic Party of Ukraine and Ukrainian Republican Party Unite"]

[Text] The sole way for democratic forces to effectively confront the parties of the left today is consolidation.

This is the path that has been chosen by the Ukrainian Republican Party and the Democratic Party of Ukraine, which, following lengthy debate on the need for unification, have progressed to specific steps in this direction. It was recently decided to create a joint Ukrainian Republican Party-Democratic Party of Ukraine leadership, which will include en masse the members of the leadership of the two parties. Preparations for a joint congress, which is scheduled for September, have begun.

"The question of the unification of our parties arose in connection with the elections of the new Supreme Council of Ukraine," Mykhaylo Horyn, leader of the Ukrainian Republican Party, told a VSEUKRAINSKIYE VEDOMOSTI correspondent. "We became convinced that small parties have little chance of influencing the political climate either in individual regions of the country or throughout Ukraine."

Volodymyr Yavorivskyy, chairman of the Democratic Party of Ukraine, believes that the unification process will not be easy.

"I believe that the unification of our organizations will be the start of the consolidation of all the country's democratic forces and that we will in time be joined by other parties," Mykhaylo Horyn said. "It is time to counterpose to a Communist Party that is reviving and building up its structures a center-right party capable in terms of its strength and numbers of being an effective counterweight to the pro-communist and pro-Moscow forces that have rallied around the Communist Party."

Officers in Parliament Form Deputies Group

LD3007171394 Kiev UNIAR in Ukrainian 1430 GMT
30 Jul 94

[Text] Kiev, 30 Jul—An informal deputies group [hrupa] has been set up in Ukraine's Supreme Council. People's deputies who are members of the Union of Officers of Ukraine have joined. The documents to register this group have already been sent to the Secretariat of Ukraine's Supreme Council. Ten persons belong to the group: Doctor of Juridical Sciences, Colonel Ivan Bilas (Lvov oblast, "Reforms" group); Colonel Vyacheslav Bilous, chairman of the Union of Officers of Ukraine (Poltava, "Reforms" group); Colonel Volodymyr

Holovko (Poltava, "Reforms" group), Security Service of Ukraine [SBU] Lieutenant Colonel Anatoliy Yermak (Zaporozhye oblast, "Reforms" group); Vice Admiral Borys Kozhyn (Ivano-Frankovsk oblast, Rukh group); Major General Volodymyr Mulyava (Ivano-Frankovsk oblast, "Statehood" group); SBU Colonel Hryhoriy Omelchenko (Poltava oblast, "Statehood" group); Colonel Hennadiy Samofalov (Donetsk oblast, Interregional Deputy Group); Major General Oleksandr Skipalsky (Volyn oblast, "Statehood" group); and Major-General Adam Chykal (Zhitomir oblast, Interregional Deputy Group). Major General Oleksandr Skipalsky heads the group.

The main provisions of the group's platform are a consistent and firm statehood position, and also support for President Kuchma in those actions, where he is defending Ukraine's interests. The group will facilitate the elaboration and adoption of legislative acts in the sectors of military reform and military development, national security and social protection of servicemen and pensioners of the armed forces. Major-General Skipalsky hopes that the group of officer deputies will be deservedly reinforced after the second round of run-off elections to the Supreme Council on 31 July and 6 August.

Final Results of 24 Jul Runoff Elections

AU3107203294 Kiev HOLOS UKRAYINY in Ukrainian 28 Jul 94 p 1

[Unattributed report: "At the Central Electoral Commission for Elections of Ukraine's People's Deputies"]

[Text] On 24 July, in those 112 electoral districts of Ukraine where elections had not taken place or no deputies had been elected, runoff elections of people's deputies were held.

Altogether, elections took place in 66 districts, which constitutes 59 percent of their total number. In accordance with protocols of district electoral commissions, 20 Ukraine's people's deputies have been elected. More specifically, five in Dnipropetrovsk Oblast, four in Donetsk Oblast, two in Zhytomyr and two Vinnytsya oblasts.

Among the deputies elected, 17 are not affiliated with any parties, three are members of the Party of Democratic Revival of Ukraine, Party of Economic Revival of the Crimea, and Working People's Party. The overwhelming majority of the newly elected members of parliament are specialists in the national economy, leaders of enterprises, organizations, ministries, and departments.

In 46 electoral districts, in accordance with the decision adopted by district commissions, repeat voting will be conducted for two candidates who got more votes than others. In another 46 districts elections did not take place at all. These include all 18 districts in Kiev, six districts of the Crimean Republic, three in Kharkiv

Oblast, two in Dnipropetrovsk, two in Kiev, two in Sumy, and two Sevastopol, and also one in each of some other regions.

The Central Electoral Commission will discuss the final results of the 24 July elections at its meeting on 29 July.

Parliamentary Run-Offs Set for 31 Jul, 7 Aug

LD2907220294 Kiev UT-1 Television Network in Ukrainian 1800 GMT 29 Jul 94

[Text] At today's sitting of the Central Electoral Commission for the election of people's deputies of Ukraine, Commission Chairman Ivan Yemets reported on the repeat elections of people's deputies of 24 July. They were held in 112 electoral districts, but were valid in only 66 of them. As a result, 20 people's deputies were elected. In 46 electoral districts, no deputy was elected. In the other 46 the elections were deemed invalid.

In accordance with legislation, by decision of district electoral commissions, run-off elections will take place on 31 July in 12 districts, and in the others 34 constituencies, run-off elections will take place on 7 August. A corresponding resolution was adopted.

Moroz on Vertical System of Executive Authority

LD3107182294 Moscow INTERFAX in English 1653 GMT 31 Jul 94

[Text] The executive committees of the local councils must be made accountable to the government, and the government to the president, Ukrainian parliament speaker Oleksandr Moroz believes.

"This way, a vertical system of executive authority may be built," he told journalists, commenting on possible ways of reorganizing the authoritative bodies.

The law on local self-government has almost been drafted and is likely to be adopted next September, he said.

This law must provide for a rigid model of relations between the executive and legislative authorities, he continued.

By exercising control functions, the parliament will have an opportunity to set up coordinating bodies which will check on the efficiency on implementing the laws in the periphery.

Moroz also favors adjusting the laws on the dismissal of state officials. He said this right might be given to the president. The president-proposed dismissal must be endorsed by the parliament, he added.

To quote Moroz, to date the executive committees of the local council have been performing functions which they had before the establishment of state administrations.

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Moroz Still Active Socialist Party Member

LD3007140694 Kiev Radio Ukraine World Service in Ukrainian 1000 GMT 30 Jul 94

[Text] The Socialist Party of Ukraine Political Council Presidium on Friday [29 July] held an extended session in Kiev, attended by Socialist people's deputies. At the session, Supreme Council Chairman Oleksandr Moroz spoke, and answered many questions.

The party's Political Council is holding a session in Kiev today. It is to discuss the political situation in Ukraine after the election of all power-wielding structures, and to look at matters related to a regular Socialist Party of Ukraine congress planned for the autumn of this year.

Masol Receives IMF Delegation

AU3107185494 Kiev URYADOVYY KURYER in Ukrainian 28 Jul 94 p 1

[Unattributed report: "IMF Is Ready To Provide Assistance"]

[Text] On 26 July, Ukraine's Prime Minister Vitaliy Masol received a delegation of the International Monetary Fund headed by John Odling-Smee, director of the IMF's Europe II Department.

Mr. Odling-Smee assured Prime Minister Masol that the IMF will grant assistance to Ukraine provided that it "is actually ready to make a step toward reform." This is good time for this step: The leadership in the state has changed.

However, in the presence of journalists, who were invited to the meeting, Odling-Smee refused to speak of any specific "pleasant proposals," which will be made to the head of our government.

Moroz, Masol Resolve To Keep Chernobyl Open

AU2907171094 Kiev DEMOKRATYCHNA UKRAYINA in Ukrainian 28 Jul 94 pp 1, 3

[Unattributed report from Chernobyl Nuclear Power Station and Kiev: "Plants Should Not Be Shut Like Doors"]

[Excerpt] [Passage omitted on history of Chernobyl accident] The people dealt with the affliction, and the station began to function again. At present, Chernobyl produces enough electricity for Kiev and Chernihiv.

However, the Chernobyl problem has not been removed from the agenda. What to do with the sarcophagus and should the functioning units be closed down or continue to be used? These questions are constantly on the agenda. Not only specialists are working on them. Many politicians are making a career "on the theme." Some people are taking advantage of the Chernobyl disaster for their own purposes.

"Meanwhile," says V.D. Synko, chairman of the Kiev Oblast Council of People's Deputies, "the Chernobyl disaster is changing its dimensions from worldwide to oblast. Immediately after the accident, everybody tried to help in overcoming the calamity. At present, there is much talk, but little work. In order to do everything properly and efficiently, the Supreme Council and the government must take a clear stand on the issue. They must outline their policy and follow it consistently. That is why we invited Supreme Council Chairman O.O. Moroz and Prime Minister V.A. Masol to Chernobyl."

Such a meeting took place at the office of the station's administration, with unit-type control panels, and in the rooms occupied by the reactor and the engine. An explanation was given by S.K. Parashyn, general director of the Production Association "ChAES" [Chernobyl Nuclear Power Station].

Here is his position:

Ten of the 16 power units with RBMK [high-capacity] reactors are in use in the Dnieper basin. If one proceeds from the theory that the 1986 accident may recur, the closing down of the Chernobyl station alone is not a way out of the situation. The specialists realize this. That is why nobody even raises the question of closing down the nuclear power stations in Russia or the Baltic states. They will be rebuilt.

We are also improving our station's safe operation. What happened in 1986 cannot happen again. Two IAEA commissions have visited the station, but they did not find any technical reasons to close it down. However, the politicians think differently.

"The facility needs to be rebuilt, not closed down," emphasized the director. "This will cost \$600 million. After that, electricity worth \$12 billion will be produced."

"The expense of rebuilding three units is equivalent to the capital required for the construction of half a new unit," added Chairman of the State Committee for Nuclear Power M.P. Umanets. "Make your own conclusions on which is more expedient."

Ukrainian Prime Minister V.A. Masol stated that an immediate closure of the station is out of the question. In many respects, the resolution of this question depends upon the operating personnel. If they work properly and without accidents, there will be no cause for alarm.

"When I took up this post, I was aware of the distressing situation in the economy," said V.A. Masol. "However, I did not know that it was so bad. Winter is near at hand. There is a shortage of energy resources. We will not be able to survive without nuclear power. Of course, we also understand the concern of the world community. We are ready to cooperate with all those who will help us overcome the consequences of the accident."

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The conversation was summed up by chairman of the Supreme Council O.O. Moroz.

"The Chernobyl problem has several levels," he said. "Worldwide and internal in Ukraine, for the workforce of the station, and for each individual. Everything outside Ukraine is politics. Our life is in the state. Wherever I am, I am always confronted with the issue of Chernobyl. I say everywhere that we want to and will close down the plant. However, we do not have enough funds for it. If we shut it, like doors, we will ultimately destroy the economy and will generate a new disaster. Foreign states only promise assistance, but nobody is giving us any money. I believe, therefore, that the Supreme Council will not agree to closing down the plant. It must be rebuilt. The people working there must see what is in store.

"I want to reiterate: The elimination of the consequences of the accident is a problem, and not for Ukraine alone. We are ready to cooperate with everybody who will help us, not in words, but in deeds." [passage omitted]

Environment Minister Defends Chernobyl's Continued Use

LD3007132294 Kiev Radio Ukraine World Service in Ukrainian 1900 GMT 29 Jul 94

[Text] In regarding the problem of Chernobyl today, mainly from the standpoint of two RBMK [High-Power Pressure-Tube Reactor] generating sets operating at the Chernobyl nuclear power plant, Western countries take an erroneous position. This is the opinion of Ukrainian Environmental Protection Minister Yuriy Kostenko. Even if they do cease to exist, it will not remove the nuclear threat overhanging Ukraine, he told a gathering of journalists.

What safety can there be, the minister pointed out, when Ukraine is literally surrounded by the very same generating sets. For example, Russia's Kursk nuclear power plant, that operates the notorious RBMKs, is only 60 kilometers away from the Ukrainian border. Besides Chernobyl, a total of 13 other RBMK reactors are now in operation elsewhere in the world. Although the issue of them is not on the agenda now, it will acquire an increasingly greater topicality with every passing year.

It is unreasonable to pluck out a part of the whole, rather than taking all of it into consideration, as this approach, Yuriy Kostenko believes, will not resolve the problem of nuclear safety.

Incident at Khmelnytsky AES Reported

944K1924B Simferopol KRYMSKAYA PRAVDA in Russian 26 Jul 94 p 2

[Unattributed report: "New Incident at the Khmelnytsky Nuclear Power Station"]

[Text] In the daytime on 21 July a signal for the shutoff of the station's first power unit was mistakenly given in the course of planned tests at the Khmelnytsky Nuclear Power Station.

The unit was shut down on 22 July at 1111. The unit was connected to the system and is operating at the present time at 80 percent capacity.

As the INTERFAX-UKRAINE Agency was told in the Goskatom of Ukraine, the radiation situation at the station remained unchanged.

There was an incident at the station two days ago involving a reduction in capacity connected with a fault in the system of regulation of the conduit of the pump.

Belarus

Lukashenka Favors Pragmatic Relations With Russia

LD3007152194

[Editorial Report] Moscow Ostankino Television First Channel Network in Russian at 1910 GMT on 29 July broadcasts the "Vzglyad" program, which contains a 10-minute live inter-studio interview with Belarusian President Alyaksandr Lukashenka on the eve of his visit to Moscow, who is asked about his attitude to Russia.

He says that in the past his opponents had accused him of being anti-Russian, but this was not the case. He says: "In Belarus there is no politician who is more favorably inclined toward Russia than Lukashenka. You will not find such a politician in Belarus. Therefore, for me the concepts of independence and sovereignty are specific actions, specific actions by politicians. Up to now they have been just a routine uproar, particularly in parliament, in the Supreme Soviet. This was played as a political card. I would like to stop playing this political card.

"I am a pragmatist, a man from industry. When your Aleksandr Shokhin visited us—Aleksandr Shokhin has a pragmatic view of relations between Russia and Belarus—we reached a common understanding remarkably quickly on how to tackle this problem. We reached the understanding that today it is necessary to tackle urgent human problems, economic problems. We will tackle political problems when we come up against them while tackling economic problems. Then we will tackle such things as confederation, federation, or the former Soviet Union. Unfortunately, at present we tried to tackle this problem from the top downward, whether to be a confederation or a federation. In my opinion, if we go along this road we will not achieve any confederation or federation; we will not achieve any drawing together but more likely we will soon not even be speaking to each other. That is, I am in favor of the problem of Russian-Belarus relations being tackled from the bottom upwards."

Parliamentary Speaker Views Integration With Russia

LD3007101494 Moscow ITAR-TASS World Service in Russian 1513 GMT 29 Jul 94

[By Belinform correspondent Viktor Kuklov]

[Text] Minsk, 29 Jul—"The Russian Armed Forces' presence in Belarussia is a historical necessity, an unavoidable legacy. We cannot ask our neighbor to withdraw all its troops immediately because they need to be stationed somewhere. A bilateral agreement has been signed, which recognizes that the situation is temporary," Chairman of the Belarus Supreme Soviet Myacheslaw Gryb said in an interview in the ZVYAZDA newspaper, which is published in Minsk. He also noted

that Russia is not to blame for this state of affairs and that "the Commonwealth of States can be compared to a family that owes its existence to skillful compromise."

Belarus agreed with the timetable that Russia put forward for the withdrawal of its troops and will help with transit. Russia, in turn, will give the republic discounts on the purchase of fuel.

The speaker of the Belarus parliament stressed again that the signing of the treaty on the unification of the Belarusian and Russian monetary systems did not mean that they had actually been unified. The Supreme Soviet needs to ratify a number of articles in the treaty before this can happen. Nine articles are currently valid, involving taxation and customs tariffs among others.

"I personally support integration, but not by huge steps," Myacheslav Gryb said, "although I must admit that it would be very much to our advantage to buy fuel, for example, at the prices for which Russians buy it. Russia currently supplies us with oil at \$80 a tonne, whereas it supplies its own consumers for \$40. This, of course, affects the price of our own output. In addition to this, Russia is still the main market for our goods. We cannot sell them in Poland or in the West."

IMF Chief, Premier Discuss Economic Program

LD3007101794 Moscow ITAR-TASS World Service in Russian 1202 GMT 29 Jul 94

[By BELINFORM correspondent Yekaterina Vysotskaya for TASS]

[Text] Minsk, 29 Jul—IMF Managing Director Michel Camdessus had a lengthy conversation today with a Belarusian Government delegation headed by Prime Minister Mikhail Chygir. The National Bank Chairman Stanislaw Bagdankevich and government deputy prime ministers were also involved in the conversation that lasted about two hours.

The sides' views of the situation in which Belarus now finds itself were similar, and they focused their attention on the economic reform program that the government is drawing up. The IMF representative noted that "a sober-minded president had come to power. I consider," Camdessus emphasized, "that the time has come to make a decisive choice as to whether or not the Belarusian economy is to be reformed. A decision is needed now, as afterward it will be too late. We are for our part ready to help, but our principle is the more decisive your actions are, the more decisive our assistance will be."

The sides agreed that in early September IMF experts will discuss the reform program with the Belarusian side. "It will be very difficult for the republic to emerge from crisis without IMF assistance," Mikhail Chygir said. The prime minister stated that up to the end of 1994 the republic needs 700 million dollars of financial support. Camdessus said in reply that he will try to persuade his

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colleagues to help, "especially since the economic program has chances of success, as it envisages specific measures to reduce the budget deficit and bring down inflation."

Confirming this, the head of government said that the present increase in meat product prices will make it possible to save 400 billion rubles of budgetary expenditure. It is planned by the end of this year to have gone over to unsubsidized prices for all types of food and to have reviewed and continued the privatization processes. At the same time Mikhail Chygir let it be understood that an abrupt transition to a market economy and the freeing of prices are not possible at present.

In discussing the issue of a link-up between Russia and Belarus, the IMF representative confirmed his support for the Belarusian side's intention to reserve its right to financial control if the monetary systems are merged, adding that a link-up of the economies can occur only after inflation in the republic is reduced to the minimum.

IMF Promises \$300 Million in Aid

LD3007144694 Moscow INTERFAX in English 1255 GMT 30 Jul 94

[Text] The International Monetary Fund (IMF) pledges \$300 million worth credits to Belarus, its Deputy Premier Mikhail Myasnikov announced at a news-conference in Minsk Friday at the end of a visit to the republic by the IMF Executive Director Michel Camdessus.

Myasnikov told journalists that the amount of credits would not be known until the end of August when the Belarussian [Belarusian] government was to adopt a program of economic reform and agree it with the IMF board.

He underscored IMF readiness to help Belarus safeguard its sovereignty since it owes a lot to Russia for energy resources. (The republic's current debt for Russian fuel totals \$389.9 million - IF.)

In his words, Belarus will soon receive the \$98 million worth second portion of an IMF systemic credit to eliminate the balance of payment deficit.

Fund representatives have repeatedly declared that IMF makes the granting of credits dependent on monetary integration with Russia. If economic reform in Belarus proves sluggish after integration, it will be rather difficult for Minsk to get the second part of the credit.

The \$98 million worth first portion of the credit was given to Belarus in July of 1993 on 5.67 percent annual interest for ten years. The money has been spent primarily to pay for fuel imports from Russia.

German Arms Control Official Visits Minsk

LD3007145294 Minsk Radio Minsk Network in Belarusian 0400 GMT 30 Jul 94

[Text] The first official foreign delegation to visit Belarus after the presidential elections and the appointment of the new head of the Cabinet of Ministers was a delegation from Germany headed by Ambassador Josef Holik, representative of the federal German government on issues of disarmament and arms control. Our visit to Belarus is not linked to the radical changes in the leadership of your state, said Holik at a briefing for journalists. Back in February we received an invitation from the former head of the foreign political department, Petr Krawchanka, to visit Belarus. We were pleased to hear an answer from Uladzimir Syanko, deputy minister [title as received], that in the international policy of your country there will be no radical changes. Holik also noted that in future too, the FRG expects loyalty on the Belarusian side. Germany is the partner who is interested in future strengthening of relations, he stressed.

Socialist Party Holds Founding Congress 29 Jul

LD3007105894 Moscow ITAR-TASS World Service in Russian 1610 GMT 29 Jul 94

[By BELINFORM for TASS]

[Text] Minsk, 29 Jul—The founding congress of the Socialist Party of Belarussia [Belarus] [Sotsialisticheskaya Partiya Belarossi—SPB] was held here today.

Vyachaslav Kuznyatsow, first deputy chairman of the republic's Supreme Soviet, delivered a political report to the congress on behalf of the organizing committee. The congress adopted the party's program and rules, and formed a political committee containing nine people. V. Kuznyatsow was elected chairman of the political committee.

The congress adopted a political statement which gives an assessment of the republic's political and economical situation and formulates the party's main goals and tasks. The Socialist Party, the statement says, intends to become a powerful political force capable, if it gains a majority in parliament, of "paving a realistic way to the creation of a society in which the individual and his well-being is the highest value and economic activity is combined with social justice. Every person should be guaranteed free education, medical care, old-age pensions, and sickness benefits."

The party is in favor of equal, mutually beneficial cooperation with all countries, especially the CIS countries. "We are firmly convinced that the CIS will inevitably be transformed into a union of independent states. It will be not only an economic union but a political union too," the statement emphasizes. The party's slogan is: Live fittingly, without fear for the future, and be proud of your people and your Belarus.

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The SPB opposes ill-considered socio-economic experiments, a lowering of the population's living standard, the thoughtless copying of a way of life that is alien to the people, corruption, the looting of the people's common property, nationalism, extremism, the immoral division of people into them and us, and the restoration of any form of totalitarian administrative system. The party considers it essential for all genuinely democratic forces to unite to safeguard the interests of the working people.

Deputies, Officers Form Patriotic Movement

WS2907114694 Minsk Radio Minsk Network in Belarusian 0700 GMT 29 Jul 94

[Statement by initiative group organizing the Belarusian Patriotic Movement in Minsk; date not given—recorded; read by Reserve General Major Anatol Ihnatavich Barankevich, in Russian]

[Text] Realizing the inevitable peril of an oncoming economic, social, and—as a consequence—political catastrophe in the Republic of Belarus, the initiative group is convinced that the time has come to adopt resolute measures for defending the motherland and its working people. The presidential elections testified to the fact that the electorate confidently upheld such measures envisaged in Alyaksandr Ryhoravich Lukashenka's program. It is clear that the program goals cannot be achieved in several weeks or days. They will require a long period of time and great effort on the part of the state, as well as political and social organizations. Alas, the main forces constituting the Popular Movement of Belarus [NRB] were not able to unite on this basis during the presidential election, while their leadership—including in particular Haydukevich, well-known for his shady ventures—having ignored the realities of the political situation, actually opposed the people's will and, by virtue of this, fully compromised themselves. All this has brought the NRB to the brink of collapse and rendered it incapable of influencing society. In this way, on the eve of legislative elections, the leftist forces remain dissociated and hardly capable of uniting within the framework of the aforementioned movement. The political situation, changed in the wake of the presidential elections, demands new approaches toward unification and puts (?patriots) to the fore.

We believe that, as in the years of ordeal in the past, only the united patriotic forces originating, in the first place, from the milieu of workers, peasants, working intelligentsia, youth, and veterans of war and labor, are able to resolutely change the situation for the better. The Belarusian Patriotic Movement's primary task is to halt the impending catastrophe by political, economic, and legal measures, and, subsequently, by implementing programs for the restoration of the national economy, improving the political and state system, strengthening the social protection of the people and national security, to return the republic to the path of building a socially just society. It is also necessary to adopt measures for creating a union of Belarus, Russia, and Ukraine.

In the name of the high interests of the Republic of Belarus and its people, we call upon all patriots to unite in the Belarusian Patriotic Movement. The initiative group includes a group of Supreme Soviet deputies as well as members of the Belarusian Officers' Union, the All-Belarusian Slav Assembly, an organization of veterans [not further specified], the Party of Belarusian Communists, the Slav Assembly Belaya Rus, who left this party in protest against the scabbing of its leadership, the Association of Invalids, and others.

Data on Industrial Production, Unemployment

WS0108110294 Minsk Radio Minsk Network in Belarusian 1000 GMT 1 Aug 94

[Text] A decline in Belarus' industrial production in the first six months of 1994, compared with the corresponding period of last year, amounted to 31.5 percent. These data have been released by the Republic's State Committee for Statistics and Analysis. The number of registered unemployed people, according to the committee, was 88,000.

Passenger Killed, Policeman Wounded in Terrorist Incident

LD2907134594 Moscow INTERFAX in English 1106 GMT 29 Jul 94

[Text] A train passenger was killed and a policeman wounded at a Belarussian railway station in an attempt to arrest a terrorist.

Interfax was told by a spokesman for the Belarussian Interior Ministry that on July 27 one of the passengers of the train St Petersburg-Kishinev threatened to set off a grenade in the carriage. At the Belarussian railway station Zhlobin, policemen attempted to detain the terrorist. One policeman fired an unintentional shot as he tried to hit the man in the head with a handgun. As a result of the shot one policeman was wounded and a passenger was killed. The grenade which the terrorist threw under the carriage did not explode.

A spokesman for the Belarussian Interior Ministry reports that the terrorist was identified. During the search of his luggage policeman found electric detonators.

Moldova

Parliament Passes Constitution; Opposition To Protest

AU3007145394 Bucharest Radio Romania Network in Romanian 0400 GMT 30 Jul 94

[Text] Yesterday the Parliament of the Republic of Moldova solemnly passed the new Constitution of that state. Eighty-three deputies voted in favor of the Constitution; 19 deputies representing the parliamentary factions of the Peasants' and Intellectuals' Bloc [BTI] and

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the Alliance of the Christian-Democratic Popular Front of Moldova [AFPCDM] voted against the Constitution.

Also on Friday [29 July] President Mircea Snegur promulgated the Constitution, which will become effective beginning on 27 August, the national day of the Republic of Moldova.

The Constitution is a logical step made in the setting up of Moldova as an independent, sovereign, and indivisible state, stated Petru Lucinschi, the speaker of the Chisinau Parliament.

On the other hand, the opposition AFPCDM published a memorandum on Friday in which it announced the commencement of a civic initiative of collecting signatures for the revision of the text of the Constitution. Also on Friday, the other opposition faction, the BTI, held a news conference during which they protested certain stipulations of the new Constitution, as well as the passing in the first reading of the draft law on the special juridical status of certain localities situated in the south, with a majority ethnic Gagauz population.

In an interview granted to our radio, Valeriu Matei, the leader of the BTI faction, pointed out that the greatest danger that lies in the Constitution in the form it was passed yesterday is the continuation of the denationalization of the Moldovan Romanians living east of the Prut River [in the Republic of Moldova as opposed to those living in Moldavia, in Romania]. He also reasserted that the granting of special juridical statuses to the Dniester and Gagauz regions will lead to the federalization of the Republic of Moldova, and demanded that he should be granted the right to think and express himself in the Romanian language, which is the language also spoken by his parents.

Speaker: Russian Presence Violates Constitution

LD2907165794 Moscow ITAR-TASS in English 1557 GMT 29 Jul 94

[By ITAR-TASS correspondent Valeriy Demidetskiy]

[Text] Kishinev [Chisinau] July 29 TASS—According to Moldavian parliamentary speaker Pyotr Luchinskiy, the presence of the 14th Russian Army on Moldova's territory violates the republic's Constitution, which was just approved on Thursday.

Speaking on Friday, the speaker of the parliament noted that the Constitution declares the country's permanent neutrality and forbids the stationing of forces from other countries on Moldavian territory. Luchinskiy expressed the hope that the question of the withdrawal of the Russian Army deployed in Moldavia's self-styled Dniester province would be resolved before the Constitution steps into force on August 27.

The next round of Russian-Moldovan talks on the status and time limit of the 14th Army's presence in Moldavia is scheduled for August. The head of the Moldovan delegation to the talks, Deputy Foreign Minister Nikolae Osmekescu, announced that progress on defining the deadline for the Russian withdrawal is expected to be achieved during the next round of talks.

According to the new Constitution, Moldavia is a "semi-presidential" republic, Luchinskiy noted. He said the executive power sort of had two wings, since both the president and the prime minister are given extensive powers.

The parliamentary speaker expressed his regret that the Constitution had not been able to accommodate a statement that the Romanian and Moldavian languages are identical. That would have helped decrease social tension, he said. Luchinskiy criticized the opposition for not recognizing neither the Moldavian state, language, nor people, and appealed to it to observe generally-accepted democratic standards of behavior.

The chairman of parliament also expressed the hope that the new Constitution would have legal force in the Dniester region as well, since it contains clauses giving that region a special juridical status.

Kazakhstan

IAEA Head Finds Nuclear Facilities in Good Shape

LD3007144294 Moscow INTERFAX in English 1255 GMT 30 Jul 94

[Text] The IAEA General Director Hans Blix has spoken highly of the state of Kazakhstan's nuclear power plants and the skill of their personnel.

Blix, who has been in Kazakhstan since July 25 on a formal visit, has signed with the Kazakh Prime Minister Sergey Tereschenko an agreement on IAEA guarantees.

On July 27-28, he was in Kurchatovsk, a town on the territory of the former Semipalatinsk nuclear test ground where he saw experimental nuclear installations in action.

On July 29, he met with republican nuclear experts at Kazakhstan's Institute of Nuclear Physics, the site of a trial nuclear reactor, deactivated in 1988.

In an interview with Interfax, he stressed the immense importance for Kazakhstan and for the whole world the signing by Alma Ata [Almaty] of the Nuclear Nonproliferation Treaty, thereby pledging to use atomic energy exclusively in peaceful purposes.

Being the first former USSR country to sign the agreement on IAEA guarantees, Kazakhstan has got down to translating the nonproliferation accord into action, Blix noted. This opens for the republic broader opportunities for cooperation with other countries in the nuclear field.

Commission Formed To Address Harvesting Problems

LD3007102494 Almaty Kazakh Radio Network in Kazakh 0100 GMT 30 Jul 94

[Text] The Cabinet of Ministers has adopted a special statute with a view to addressing the difficult situation in agriculture, providing it with material-technical and financial resources, carrying out the organized harvesting campaign, and using the 1994 agricultural harvest rationally. The statute sets up a republican commission in order to promptly tackle issues related to cultivating, harvesting, procuring, and accumulating food reserves and backing it up with resources. Deputy Prime Minister Sergey Kulagin is appointed its head. Relevant commissions are set up in regions and districts.

Kyrgyzstan

Parliament Speaker on Opposition to Akayev

LD3107141894 Moscow INTERFAX in English 1236 GMT 31 Jul 94

[Text] Chairman of the Kyrgyz parliament Medetkan Sherimkulov said he believed that in Kyrgyzstan there was no opposition acting against the legally elected President Askar Akayev.

Sherimkulov said in an interview with the Slovo Kyrghyzstana newspaper published in Bishkek on Saturday that there were discontented people in the republic and that it would not be right if the whole society was unanimous. However, he said that some manifestations of discontent due to the difficult social-economic situation could not be considered as an organized opposition.

Sherimkulov said he saw no actions aimed at overthrowing President Akayev as 105 deputies had recently affirmed in their statement.

Sherimkulov stressed that the relations between him and Akayev were constructive. Sherimkulov added that he gave his complete backing to the president in all his initiatives.

Sherimkulov said he thought that somebody wanted to confront him with the president. "This will not work. Our relations are marked with mutual respect," he stressed.

Sherimkulov said that now there were no reasons for political conflicts in the republic. He said he believed that there was no reason to speak about confrontation of different branches of power and of their heads either.

Japanese Company To Help Update Broadcasting Facilities

LD2907124594 Bishkek Kyrgyz Radio First Program Network in Kyrgyz 2300 GMT 28 Jul 94

[Excerpt] The second stage of cooperation between Kyrgyzstan's national TV and Radio Company and the Japan International Cooperation Agency [JICA] has begun. There are (seven) television and 17 radio channels in Bishkek; two of the radio channels and one of the television channels covering the territory of Kyrgyzstan are national services.

The government of Kyrgyzstan asked JICA to help draft a plan for reequipping the republican television and radio network. In reply to this the Japanese agency conducted a preliminary study in July 1993 and signed a protocol on operations.

Let us remind your that the first stage of operations begun in January 1994. Over this period Japanese experts have thoroughly studied the situation at our radio and television company. On the basis of the collected data they defined the main directions for its reorganization, which will lead to an improvement and expansion of broadcast services in Kyrgyzstan.

All these issues were examined by yesterday's meeting between Japanese experts and the leadership of Kyrgyzstan's national TV and radio company. [passage omitted]

Tajikistan

Rakhmonov Says Hostage Taking To Wreck Talks

LD3107054194 Moscow ITAR-TASS World Service in Russian 0330 GMT 31 Jul 94

[By ITAR-TASS correspondent Galina Gridneva]

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[Text] Dushanbe, 31 Jul—Supreme Council Chairman Rakhmonov assessed the capture of 56 Tajik servicemen by an anti-government group as attempt to wreck the third round of inter-Tajik talks on a political settlement and find inter-ethnic peace in Tajikistan. The press center reported that Rakhmonov personally joined in the campaign to free the captives.

According to the press center, the question connected with the liberation of the servicemen captured 22 July was raised during Rakhmanov's meeting with leaders from the Gorno-Badakhshan Autonomous Oblast last Friday. According to at least one report the captives are on the territory of this oblast. The location of the captives remains unknown. No opposition group has assumed responsibility for this action.

Influential international organizations, including the mission of the UN High Commission for Refugees, the International Red Cross, and representatives from the Unified Command of the peacekeeping forces in Tajikistan have joined in the effort to liberate the captives. ITAR-TASS learned this today at the Tajik Foreign Ministry Information Department.

'At Least 46' Held in Afghanistan

LD3107140194 Moscow INTERFAX in English 1236 GMT 31 Jul 94

[Text] At least 46 of 56 Tajik servicemen captured at night on July 23 are on Afghan territory. The fate of ten other captured servicemen remains unknown, competent military sources in Dushanbe told Interfax. The same sources said that the Tajik leadership was deeply concerned over the fate of the servicemen captured by the opposition and that it would take all possible measures to free them.

Sources in the command of the Russian Border Defense Troops in Tajikistan told Interfax that the last day on the Tajik-Afghan border was calm. However, the situation remains tense. The Russian Border Defense Troops were put on alert.

Rakhmonov Visits Khorog, Addresses Meeting

LD2907141094 Dushanbe Radio Tajikistan Network in Tajik 1200 GMT 29 Jul 94

[Text] Our correspondent Muhammad Shuhrat Asar-bekov reported from Badakhshan that Emomali Rakhmonov, head of state and chairman of the Supreme Council of the republic of Tajikistan, and his entourage arrived in the Gorno-Badakhshan Autonomous Oblast today.

Emomali Rakhmonov met with workers of a sewing factory in Khorog city and familiarized himself with workers' living conditions. Following this, a meeting of activists was held in the conference hall of the oblast's executive committee attended by the head of state and representatives of the government of the republic.

The meeting exchanged views on the political and economic situation, the observance of public order and protection of the rights of the citizens.

Emomali Rakhmonov, the head of state, addressed the audience and stressed that all the people of the republic should today unite around the legitimate government in order to stabilize the political and economic situation in the republic.

Speaking on the future development of Badakhshan, Emomali Rakhmonov said the sooner the political and economic situation return to normality in Tajikistan the better the chance for Badakhshan economy to free itself from grave crisis.

The head of state stressed that the people ought to strengthen the borders. The relations between our state and foreign countries should further expand.

He also replied to many questions from the participants. The meeting was summed up by Gharibsho Shahbozov, chairman of the soviet of people's deputies of Gorno-Badakhshan Autonomous Oblast.

Russian Border Guard Prevents Afghan Infiltrators

LD3107212894 Moscow ITAR-TASS World Service in Russian 1618 GMT 31 Jul 94

[By ITAR-TASS correspondent Roman Zadunayskiy]

[Text] Moscow, 31 Jul—By their decisive actions subunits of the Khorog Border Detachment foiled yet another attempt by a group of violators to cross from Afghanistan into Tajikistan at the section of the 12th Border Post of the Russian Group of Border Troops in Tajikistan today. A group of armed fighters numbering over 100 people was securing the crossing, an ITAR-TASS correspondent was told by an Information Service spokesman of the Russian border troops.

The spokesman remarked that in conditions of tension on the Tajik-Afghan border the subunits of the group of Russian border troops in Tajikistan were taking vigorous measures to stop any attempts by armed fighters from Afghanistan to reach Tajikistan's Gorno-Badakhshan Autonomous Oblast.

According to the Russian Border Troops Information Service, citizens from third countries are continuing their attempts to immigrate illegally via the Russian Federation's territory. For instance, on Saturday, at the Sortavala border section (Northwest Border District) border guards detained four Romanian citizens who tried to cross illegally into Finland.

Over the two days of 30-31 July, while carrying out the "Barrier" operation in the western region of the Russian border, more than 70 kilograms of opium poppy and contraband goods worth around 33 million rubles were seized during attempted smuggling.

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Cooperation Agreement Signed With U.S.

LD2907123094 Dushanbe Radio Tajikistan Network in Russian 1000 GMT 29 Jul 94

[Text] The signing ceremony of an agreement between the Republic of Tajikistan and the United States took place today. We have a report from our correspondent:

The agreement outlining further cooperation between the two states was signed by Izatullo Kayumov, minister for foreign economic relations of the Republic of Tajikistan, and Escudero, U.S. plenipotentiary and extraordinary ambassador in Tajikistan. During the signing ceremony of the agreement Izatullo Hayoyev thanked the U.S. government and Mr. Escudero on behalf of the Tajik government and the people of Tajikistan.

There was a reason for expressing this gratitude. According to the agreement on economic cooperation, humanitarian aid consisting of 35,000 tons of grain will be provided to our republic. The U.S. side will take on the responsibility of purchasing this grain and transporting it.

Is this 35,000 tons of grain a lot or little? We will talk about this later. It was noted that the grain is very necessary for us today. Currently land work in the republic is not progressing very well. Due to the lack of fuel and spare parts almost all the tractors and combine harvesters are not working and the harvest is being collected by hand. This leads to loss of time and loss of grain. Even if we can collect all the crops we still cannot provide the republic with bread. The purchase of grain abroad is not easy. That is why we have to be grateful to our U.S. friends for the gratuitous assistance.

Speaking to those gathered Mr. Escudero said:

[Begin Escudero recording in Tajik with superimposed Russian translation] My joy is based on the fact that the program of food products in the name of progress, on the basis of which this aid is being rendered, is based on the recognition of the progress in the area of democratization and further progress in the area of democracy and human rights. My government believes that real reforms are being implemented in Tajikistan and if this process of reforms continues in the area of democratisation, human rights and the free market economy we will further render such assistance. We support the national political reforms and the process of reconciliation because we are confident that the next few months will be decisive for Tajikistan and its peace and prosperity. [end recording]

Turkmenistan

New Ministers Appointed in Government Reshuffle

LD3007141094 Moscow INTERFAX in English 1255 GMT 30 Jul 94

[Text] New oil and gas, agriculture and food ministers were appointed at an enlarged session of Turkmenistan's

government in Ashkhabad [Ashgabat] Friday. They are Khyakim Ishanov and Tagandurdy Nuryev, both 52 years old.

Their predecessors Nazar Suyunov and Paizgeldy Meredov resigned for health reasons, as was officially announced on July 29 following the critical remarks addressed at the session by the Deputy Premier Valeriy Otchertsov to the men in charge the oil and gas, oil refinement, consumer goods, and cotton refinement industries.

The cabinet put Chary Kuliev, the ex president of the Republican Chamber of Commerce, in charge of a newly formed Ministry for Foreign Economic Relations.

The Ministry of Trade and State Committee for Supply were reorganized into a Ministry for Trade and Resources to be led by the former trade minister Khalnazar Agakhanov.

The draft of a national budget for the third quarter of 1994, submitted to the cabinet, sets revenues at 4.6 billion manats (10 manats = \$1), and expenditures at 4.9 billion manats.

Two Ministers Reportedly Resign

LD2907155494 Moscow INTERFAX in English 1354 GMT 29 Jul 94

[Text] Oil and Gas Minister Nazar Suyunov and Agriculture and Food Minister Paizgeldiy Meredov resigned, reportedly for health reasons, at an extended meeting of the Turkmenian government that was held in Ashgabat Friday.

At the meeting Deputy Prime Minister Valeriy Otchertsov criticized the oil and gas, petrochemical, light and cotton processing industries.

He said that some high officials transfer the hard currency proceeds from sales Turkmenian products to foreign accounts of individuals and small firms.

President Saparmurad Niyazov said at the meeting that he had information on abuses and scams in which banks grant credits for personal interest or set a favorable rate of exchange and grab the difference between it and the official rate. He promised to take this matter up at an unspecified later date.

Otchertsov said that the country's industries failed to gain a total of 4.3 billion manats of profit in the first six months of 1994.

An Interfax correspondent reports, however, that the speakers at the meeting regarded the operation of the country's manufacturing industries as satisfactory. The gross product amounted to 1.8 billion manats (10 manats are equal to one dollar).

Otchertsov noted, however, that the Turkmenian consumers owed 212 million manats to the producers.

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Armenia**Ter-Petrosyan Meeting With Kozyrev Viewed***MK2907122094 Moscow NEZAVISIMAYA GAZETA in Russian 29 Jul 94 p 2*

[Report by Armen Khanbabayan under the "Visit" rubric: "Levon Ter-Petrosyan Meets With Andrey Kozyrev. Armenian President Stayed in Moscow One Day"]

[Text] On 27 July, President of Armenia Levon Ter-Petrosyan was in Moscow for a one-day private visit which was, however, also weighed down with politics. The president met with Russian Foreign Minister Andrey Kozyrev. The official communique on this score says that the sides "have discussed a range of questions connected with the process of further settlement of the Karabakh conflict."

Armenia's representative in Russia Feliks Mamikonyan thinks this meeting should be viewed in the general context of searching for approaches to resolving the protracted conflict. The truce that took hold nearly three months ago along the Karabakh fronts has been breached only rarely, and many see it as rather firm. This positive circumstance affords the hope that from a phase of armed standoff, the conflict may evolve into a phase of political talks. Until recently and despite the growing activism of the mediators, the political aspects of the problem stayed in the background. This is largely explained by the continued divergence in the positions of Russia and the CSCE. Therefore, it is possible that the positions of the chief mediators may draw closer together and that questions pertaining to the provision of real security mechanisms and guarantees of non-resumption of combat operations were also discussed during Ter-Petrosyan's meeting with Kozyrev. Many people know that it is these points, elaborated to a sufficient extent in the Russian peacemaking plan, that appear attractive to Stepanakert and Yerevan, while raising many questions in Baku. Meanwhile, one cannot expect serious political talks getting under way without putting them into effect.

Azeri Shelling of Northern Borders Reported*NC2907181194 Yerevan Armenia's Radio First Program Network in Armenian 1700 GMT 29 Jul 94*

[Text] Azerbaijani Army units violated the cease-fire on Armenia's northeastern border on the night of 28 July. According to the Armenian Defense Ministry Press Service, the enemy shelled the defensive positions around Verin-Karmiragpyur and Nerkin-Karmiragpyur in Tavushskiy Rayon at 2000 with various types of weapons. The shelling stopped at 0500.

The positions around Dirants in Idzhevskiy Rayon were also shelled between 2130 and 0135 with same types of weapons.

There were no casualties in Tavushskiy and Idzhevskiy rayons. Our border troops did not retaliate.

The situation in the rest of Armenian border regions was calm yesterday, 28 July, and today. The Nagorno-Karabakh Republic Defense Army Press Service reported that situation was calm on Karabakh fronts last night and today.

Ter-Petrosyan Dismisses Trade Minister*LD3107160094 Moscow ITAR-TASS in English 1526 GMT 31 Jul 94*

[By ITAR-TASS correspondent Tigran Liloyan]

[Text] Yerevan July 31 TASS—The president of Armenia has removed Tigran Grigoryan from the post of minister of trade. A decree on it was published today. The reasons for the removal were not announced, but local observers are positive that it is directly connected with the recent scandal involving the minister of trade, who was accused of taking bribes.

Grigoryan, 46, was appointed minister of trade in May 1992. On May 10, this year, he was arrested in his office and accused of taking bribes. According to the information of the Armenian Interior Ministry, shortly before Grigoryan's arrest two cooperative workers came to a militia station and said that the minister had allegedly demanded from them 5,000 U.S. dollars in return for a license for selling strong drinks, while they could give him only half that much. The arrest was carried out by the department of the Interior Ministry, which is handling economic crimes, and was shown on republican TV many times. During a search at Grigoryan's office, the exact amount—2,500 dollars—was found. The banknotes had been previously marked by the militia with the help of a special chemical.

On May 13 the minister was released on the demand of the prosecutor-general of Armenia, who said that he had given no sanctions for arresting Grigoryan and that the operation had been carried out without the knowledge of the public prosecutor's office. None of the Armenian leaders made any statement about what he thinks about the arrest of a member of the government either when Grigoryan was kept at an investigation prison, or later. News came recently that the minister's case was dropped because no elements of the crime were found in his actions.

Grigoryan said on more than one occasion that charges against him were groundless. "I am guiltless before the law, and as soon as the case is dropped, I shall go to the president and tender my resignation," he said in an interview.

Armenian Interior Minister Vanik Siradegyan, who is believed here to have masterminded Grigoryan's arrest, described the minister of trade as a thief and a bribe-taker in a TV interview.

Grigoryan is going to hold a press conference on August 1.

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Prime Minister Comments on Economic Situation

NC2907205594 Yerevan SNARK in English 1546 GMT 29 July 94

[Text] Yerevan, July 29 (SNARK)—Armenia goes over the second stage of reformation of economy, in which the main task is the practical realization of the reforms process, said the Prime Minister of the Armenia Grant Bagratyan today at a press-conference.

According to the Prime Minister, considerable changes took place in the financial-banking system, customs and taxation policy. The privatization has begun, the regime of international trade has been considerably liberalized.

As Bagratyan told, the economy of Armenia is faced with the problem of non-payment. Only during the first six months non- payments reached to 5 billion drams in Armenia.

The Premier also mentioned the danger to lose traditional markets of Armenian producers. If the economic situation in the CIS is not stabilized in the nearest future, Armenia has to partly re-orient its economy.

Grant Bagratyan mentioned the successes reached in the stabilization of the financial situation in the Republic. The rate of dram inflation, which was 52 per cent in January, in July went down the zero label and the deflation index became -1 per cent. In spite of it, the life level in Armenia remains critically low, though in many fields of industry the average wage increased more than twice during the last months.

According to the Premier Minister, the unemployment problem is very sharp in Armenia. Its level makes 8 per cent of all Armenia's population able to work.

Trade Figures Show Russia Main Trading Partner

NC2907131894 Yerevan ARAGIL ELECTRONIC NEWS BULLETIN in English 0739 GMT 29 Jul 94

[Text] Yerevan ("LRAGIR" daily), 07/29/94—According to RA [Republic of Armenia] State Statistics Department, foreign trade balance of the Republic was positive during the first six months of the year (export exceeded the import).

The main foreign partners of Armenia were Russia (40.9 percent), Iran (15.2 percent), Turkmenistan (12.4 percent), Belgium (3.2 percent), Ukraine (2.8 percent), Netherlands (1.9 percent), Southern Korea (1.9 percent) and the United States (0.7 percent).

Southern Korea is different from the rest countries in that only import relations have been established with this country, worth 292.2 mln. drams in total.

IAEA Specialists Note 'Correct Approach'

NC3007114194 Yerevan ARAGIL ELECTRONIC NEWS BULLETIN in English 0657 GMT 30 Jul 94

[Text] Yerevan ("RESPUBLICA ARMENIA" daily), 07/30/94—An IAEA delegation, headed by the Head of

Standards and Security Department Anik Karnino [name as received] has left Armenia recently.

Chairman of the "Armstateatomcontrol" department Ashot Martirosyan said that the goal of the last visit was to check the implementation of IAEA recommendations and conformity of deconservation operations to the statute of "Armstateatomcontrol", developed with participation of international specialists.

IAEA experts appreciated the work of the atomic and radiation security department and noted the correct approach of the RA [Republic of Armenia] government to this problem.

The preliminary period—investigation of the plant—is close to finish. The second stage—reconstruction and restoration work—will start soon and the control of the department over the work at the ANPP [Armenian Nuclear Power Plant] will correspondingly increase.

Reopening of Nuclear Plant Discussed in Moscow

NC3007113994 Yerevan ARAGIL ELECTRONIC NEWS BULLETIN in English 0657 GMT 30 Jul 94

[Text] Yerevan ("HAYASTANI HANRAPETUTYUN" daily), 07/30/94—A working consultation concerning reopening of the Armenian Nuclear Power Plant [ANPP] was held in Russian Energy Ministry in Moscow on July 28.

The Armenian delegation was headed by the RA [Republic of Armenia] Deputy Prime Minister Vigen Chitechyan, Russian delegation—by the First Deputy Minister of Atomic Energy Lev Ryabov.

The sides discussed the course of operations on reopening the ANPP, defined the primary problems on financing and materials supply. Another similar meeting is planned to be held in Moscow on August 17.

Computer Users Gain Full Access to Internet

NC3007131094 Yerevan ARAGIL ELECTRONIC NEWS BULLETIN in English 0709 GMT 30 Jul 94

[Text] Yerevan ("ARAGIL" AIP), 07/29/94—Armenian users have now gained full Internet access. Not only the basic e-mail service, but the capacity of logging to any of millions computers in this network around the world, to look up for the desired information in foreign databases, use the power of supercomputers, send messages to friends or colleagues, by just sitting behind their PCs in the office or even at home. Blocked from the external world, electronic communications are almost the sole way for the Armenian businessmen and scientists to communicate with their partners around the world.

Armenia is third country in the CIS, after Russia and Ukraine, to provide on-line Internet service to the users. This development is possible thanks to the efforts of Armenian Information Company Arminco.

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Arminco was founded in 1991. "I went to Moscow to buy stock of the Russian Company of Stock Brokers (RCSB). We needed on-line access to their database. This is when we first heard about the network of the Institute of Automated Systems (IAS), which was one of the largest in the USSR. I decided then, we may organize access to this network from Armenia," said Andranik Alexanyan, 34, Arminco Director General. Having consulted with Gregory Sagyan, now Arminco Technical Director and Souren Manoukian, the company's Commercial Director, Arminco Ltd. was created by the end of the year.

Their business has been growing fast, from only 20 users in 1992 to more than 100 users now. Among their most active clients are Armenian news agencies, the American University of Armenia, United Nations representation to Armenia, International Red Cross, United States Information Service, Armenian General Benevolent Union Yerevan office, Yerevan Institute of Physics, HILINK software development company, Ministry of Foreign Affairs, Armenian Television, National Service of Seismic Protection, several agencies in Nagorno-Karabakh. Starting from October 1993 the company owns a leased satellite channel to Moscow, through which the information is transmitted at speed of 19,600 bits per second. From Moscow it goes through another satellite channel, owned by a Russian company "SOVAM teleport", to San-Francisco, and can reach any point in the world within a few minutes.

Armenian Internet Users Group conference, recently held in Armenia, decided that the new host, installed by Arminco, will become one of the main domains connecting Armenia to the Internet. Arminco installed a powerful UNIX-based host for these purposes, and the new system is now operating at full power.

This means, not only the users of the company's services may access the Internet, but any user of the Internet may log to the host, situated in the heart of Armenia. This is especially important considering the large Armenian community around the world. The new system may become a link, which will help to unify all Armenians who live in any country, no matter how far away from each other and from Armenia, with the ancient land of their ancestors.

Internet address of the Arminco's new host is arminco.arminco.com; Any Internet user may log to this host in the on-line mode with "telnet" or "rlogin", use anonymous FTP to download various files from Armenian true-type fonts for windows, to famous jokes of the Armenian radio. The FTP server (which will be operational from Monday, August 1) may become a unique site where any Armenian will be able to upload information, interesting or useful to his compatriots.

Arminco also plans to install a database of Armenian laws, accessible via the Internet. "The database will be in English, and will be designed for all potential partners abroad, planning to work with organizations in Armenia.

Another commercial database, which will be accessible to the system, will allow its users to search in all previous issues of the "Aragil" news bulletin. All registered users of the database will be able to make various searches by themes, keywords or dates, to find the desired information, which has been published in Armenian newspapers.

"Our main problem is poor telephone lines and energy problems at the telephone stations," said Mr. Alexanyan. "Our clients are often unable to log in simply because their telephones are out of order. Nevertheless, communications have a strong influence on the future of Armenia. We'll do our best to see our country prospering."

Azerbaijan

Fall of Corrupt Regime Seen 'Under Way'

MM2907111194 Moscow KOMSOMOLSKAYA
PRAVDA in Russian 26 Jul 94 p 5

[Article by Vissarion Petrov under "The CIS Is Our Newspaper's Country": "Don't Drink from the Wells, or You Will Become President..."]

[Text] Geydar Aliyev has been on a visit to Saudi Arabia. The Azerbaijani president's countrymen, who have gotten used to being surprised at nothing in recent years, for the first time saw the leader [vozhd] of the nation on their TV screens clad not in the traditional, dark, bespoke suit made by the Politburo tailor but bare-breasted and barefoot in the traditional garb of a pilgrim who comes to do penance for his sins.

While Geydar Aliyevich was zealously offering up prayers and visiting the holy places, the latest train carrying flour to Baku quietly crossed the Russian-Azerbaijan border in the region of Dagestan. On the freightcars drifting past someone had neatly painted in red: "Greetings from Mutalibov!"

The current catastrophic situation in the economy undoubtedly stems from the defeats suffered by Azerbaijan in the Karabakh war. The loss of 25 percent of its territory is the still-incomplete tally. Around 1.5 million refugees are languishing in poverty and semistarvation; wages and pensions have not been paid for six to eight months. The rupture of economic links with CIS countries and Azerbaijan's attempt to reorient itself toward neighboring Turkey and Iran have led to almost 70 percent of industrial enterprises' coming to a standstill. The republic has lost around 40 percent of its wheat-growing area, 32 percent of its cotton plantations, and 72 percent of its vines. These areas produced more than one-third of its meat and almost half of its dairy products.

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All this on its own could induce hopeless depression. But if you add the bribe-taking by officials, the corruption that has permeated every stratum of society, and the luxury in which Aliyev's entourage wallows, the social state of society may be likened to a powder keg.

This is no doubt realized by those who rule over the republic today. All the members of G. Aliyev's family; R. Kuliiev, chairman of the Supreme Council; G. Gasanov, the foreign minister; R. Rizayev, ambassador to Russia; and many others have homes in Western countries. Photocopies of Western bank account statements showing that top Aliyev officials have long been providing a comfortable existence for themselves are circulating around Baku.

According to information in the editorial office's hands, a representative of the Azerbaijani opposition has conducted confidential talks with a major detective agency in the West. This agency became publicly known after it revealed secret accounts held by the dictators Somoza and Marcos. The fate of the so-called Turkish loan will be the subject of special investigation. Turkey allocated a \$50-million loan to Nakhichevan Oblast, which was headed at the time by Aliyev, to buy food. A number of companies, including one in Istanbul headed by Aliyev's son, were set up to utilize the loan. The results of the Turkish loan's utilization were pretty modest. People in blockaded Nakhichevan continue to live half-starved as they used to. Where has the money disappeared to, and whose pocket has been filled?

Incidentally, according to representatives of the People's Front of Azerbaijan, who have strong links in Ankara, the Turkish special services possess complete information on the fate of every cent. Moreover, the possession of this information enables them to stifle pro-Iranian sympathies on the part of the Azerbaijani president which occasionally surface. An accord has been reached with the investigations agency to track down and repatriate all the funds illegally transferred abroad by the Aliyev clan.

This, of course, can only happen after Aliyev quits his post. He will never do that himself. But no one in Baku doubts any longer that the "process is under way." By all accounts, Moscow is also sure of that.

Top-level contacts between the two states have virtually ceased. The Azerbaijani official is a rare visitor to the Moscow River. As far as officials from Moscow are concerned, they cannot be enticed to the Caspian shore even with offers of black caviar.

Essentially, all economic links with Russia have been curtailed. Impulsively, local financiers set a rate of 10 rubles to the manat. This, as was to be expected, led to a catastrophic decline in the manat. The average monthly wage in Azerbaijan, expressed in terms of the dollar rate established by the National Bank, comes to the impressive figure of... 82 cents.

The present Azerbaijani leadership has turned the Caspian's oil stocks into an object of cynical haggling. Here they love to say that "Russia plundered Azerbaijan for 70-odd years, grabbing all our oil." Yes, the revenue from the sale of Azerbaijani oil did go to the Union exchequer, but it should also be remembered that the huge capital investment in the development of the oil reserves also came out of the Union exchequer.

Russia's disquiet at Geydar Aliyev's desire to give the most tasty pieces of the oil cake to Western corporations, particularly British Petroleum, is therefore understandable. The Azerbaijani leader makes verbal promises to take account of Russia's interests in the shape of the oil giant Lukoil, but no progress at all has been made in the talks with Russia.

In May Azerbaijan planned to sign a contract, the profit from which in just 30 years will, Western experts estimate, be \$113 billion. However, the Russian Foreign Ministry delivered a note to Brian Fall, British ambassador to Russia, which stressed that no contract regarding the development and transportation of oil in the Caspian Sea basin will have legal force without Moscow's agreement.

Moscow's demarche came as a bombshell to Baku. By all accounts, the future petrodollars had already been shared out in Aliyev's entourage—and suddenly such disarray! The president of Russia's huge Lukoil company, Vagit Alekperov, found himself in an extremely awkward position. An Azerbaijani by nationality, he had made considerable efforts to obtain a favorable contract for Russia. However, his Baku partners (R. Kuliiev, former president of the oil concern and current speaker of the parliament, and R. Rizayev, ambassador to Russia, were the main players on the Azerbaijani side) had deceived their fellow countryman. Alekperov was forced to issue a quite abrasive statement.

This has given considerable pause for thought in London too. The contract certainly promises big profits. And it is no wonder that British Petroleum was able to use as mediator Margaret Thatcher, who flew in to Baku for a day. But the people over there do not want to get into sharp conflict with Russia over Baku oil. Moreover, the thrifty British are tired of subsidizing insatiable, crooked Azerbaijani officials.

Nor is London convinced of the Aliyev regime's stability. At any rate, this question has been the subject of serious disagreements among British Petroleum management.

While the upper echelon is engaged in sharing out dollars, the fate of Azerbaijan's oil industry is truly tragic. Five years ago Azerbaijan was pumping out 11-12 million tonnes of oil. Last year, through enormous efforts, the 8 million-tonne mark was just exceeded. Many skilled oil workers—Russians, Ukrainians, and Armenians—have quit the republic. The once-renowned Institute of Oil and Chemicals has been renamed, as is

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usual now, an academy. However, the quality of the teaching has drastically declined. Links with Moscow, other centers in Russia, and CIS states have been lost.

The whiff of petrodollars has, by all accounts, generated mutual suspicion in the top leadership of Azerbaijan. Until recently all oil transactions were in the charge of Aliyev's close comrade-in-arms Rasud Kuliyev. He, to no small degree, secured Aliyev's advent to power. However, friendship is one thing, money something else. That is why Makhmud Mamedkuliyev, former bodyguard and now son-in-law of Aliyev, has gone off to be ambassador in London. There is no doubt that he will now exercise control over the London bank accounts.

Another very important appointment surprised even the most cynical people in the Azerbaijani president's entourage. Aliyev's son was appointed vice president of the oil company with the personal brief of looking after the contract with the Western consortium.

Every game has its own rules. The Azerbaijanis well remember the brilliant, well-argued, and persuasive speeches delivered by Azerbaijan Communist Party Central Committee First Secretary Geydar Aliyevich Aliyev on the merciless struggle against string-pulling, local favoritism, and the promotion of leaders on grounds of kinship. It cannot be said that Aliyev's inordinate love for his relatives pleases even everyone in the president's entourage. Lala Gadzhieva, one of the people closest to the president, who was alongside him during his period of disgrace too, was instantly removed from her post as state secretary when she spoke against such practice in making appointments. The extremely cautious G. Gasanov, the foreign minister, has begun talking about this increasingly often. Prime Minister Suret Guseynov openly voices sharp criticism of such actions.

Many people in Baku are also worried by the way privatization is being carried out. A law on implementing it is now ready. Rumors have also leaked out that a list has been drawn up of the largest enterprises, neatly shared out among the president's immediate entourage. A pretty serious issue. If Aliyev manages to carry out privatization the way he would like, his authority will become absolute and he will have no parallel in any of the other republics of the former USSR.

As a very experienced politician, Aliyev appreciates that the prevailing political picture is not in his favor. Apart from his immediate relatives, no one supports him in Azerbaijan today. We also have the cool aloofness of Moscow here. Therefore the "power virtuoso," as A. Karaulov has described him, has started the game of exploiting economic conflicts between states around the world.

In exploiting the disagreements between Russia and Turkey regarding control over the Black Sea straits he is trying to elevate an ordinary trade and economic problem to a political and even military level. Menacing

statements by Turkish generals concerning the possibility of committing Turkish troops to Azerbaijan began immediately after Aliyev's lightning visit to Istanbul, where the foreign ministers of many states assembled at the beginning of June. There he had conversations with the Turkish leadership and generals as well as with Warren Christopher and the foreign ministers of Britain, Sweden, and Greece. Kozyrev, who was also there, was snubbed.

No serious observer sees the slightest possibility of Turkish troops' landing in Baku. Therefore, such zigzags in Azerbaijani foreign policy and attempts to stir up anti-Russian feelings in Turkey can lead to only one thing: Azerbaijan will become a plaything in the hands of world states.

Cease-Fire Holding Despite Army Build-up

LD3007100494 Moscow ITAR-TASS in English 0827 GMT 30 Jul 94

[By ITAR-TASS correspondent]

[Text] Stepanakert July 30 TASS—According to Saturday's data from the Military Intelligence headquarters of the Nagorno-Karabakh Army, Azerbaijan continues an "active redeployment of troops and the concentration of manpower and hardware is being observed in a number of sectors of the front".

Nagorno-Karabakh military experts believe that the truce document, signed by the defence ministers of Armenia and Azerbaijan and by the commander of the Nagorno-Karabakh Defence Army on July 27, is a legally binding one but its importance should not be overestimated as long as a comprehensive agreement has not been achieved by the warring sides.

The experience of such accords suggests that it is difficult to speak about a lasting ceasefire without the deployment of an international disengagement force in the conflict area, experts maintain.

Georgia

Official Views Foreign Investment in Oil

AU3107184994 Tbilisi SVOBODNAYA GRUZIYA in Russian 20 Jul 94 pp 1,3

[Interview with Revaz Tevsadze, head of the "Gruzneft" (Georgian Oil) Department, by Spartak Grachev; place and date not given: "There Will Be 1 Million Tonnes of Oil a Year if... We Can Guarantee Stability and Create Conditions for Foreign Investors"—introductory paragraphs and all questions published in boldface]

[Text] In order to emerge from the abyss of the energy crisis, Georgia has, first and foremost, to harness to the maximum its own natural resources, in particular oil and casing-head gas; at present, the possibilities for increasing their extraction are being used practically to

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the minimum degree. Due to a lack of capital investments, a shortage of equipment, spare parts, and electric power, serious flooding of wells, and other technological failings, there has been a sharp reduction in oil extraction during the last few years. If, in the record year of 1980, more than 3 million tonnes of oil were extracted in Georgia, today, barely 120,000 tonnes are being extracted annually. Moreover, both the geophysical preparation of prospective structures and exploratory drilling have, to all intents and purposes, been curtailed.

It is clear that the republic does not have the resources to improve this labor-intensive and costly branch. Large foreign investments and new modern equipment and technology at the level of world standards are needed. This can be obtained only through close international economic cooperation. This process has in fact begun. A SVOBODNAYA GRUZIYA correspondent spoke to Revaz Tevsadze, head of the "Gruzneft" Department about this.

[Grachev] To what extent are Western oil companies interested in cooperating with Georgia in order to expand the extraction of this most important raw material here?

[Tevsadze] They are interested and in the most active way. I would say they are even dynamically pursuing their interests. Many firms are well acquainted with the geological and geophysical materials connected with the oil deposits in our republic; they have made their calculations using their computer technology and are convinced that Georgia's mineral resources have a promising outlook. However, due to the extreme political instability and the serious criminal situation in the republic, many promising projects have been left hanging in the air. Foreigners, until recently, have not risked investing in Georgian oil, and we have lost almost three years for nothing. We now have to make up quickly for lost time.

[Grachev] Which Western investors are already definitely cooperating with Georgia's oil technicians?

[Tevsadze] For example, the English firm "J.T. Kenny." We have been dealing with them for two years now and, at the end of 1993, we concluded a contract to create a joint enterprise. Our partners have chosen as the main object of their interest the oil deposits in western Georgia and the shelf off the Black Sea coastline. A program has been outlined to develop intensively old exhausted deposits such as those at Supsa, Shromisubani, and Chaladidi. The English have already created their production base in Supsa in Lachkhuti rayon and are bringing in equipment and purchasing the necessary vehicles in Turkey. To all intents and purposes, they have already begun to restore and intensively develop old wells on land, using modern secondary methods of fuel extraction.

[Grachev] How is exploratory work proceeding at the shelf? After all, as far as is known, no oil has yet been extracted in the Black Sea.

[Tevsadze] Yes and, therefore, our English partners have prepared a complete program for exploring the shelf off Georgia's Black Sea coastline; they have rented a special ship for this purpose and are planning to conduct underwater geophysical and geological work, as a result of which they will mark several spots for underwater exploratory drilling from special platforms.

Naturally, all this will be very expensive. Hundreds of millions of dollars are needed. However, the English, according to the contract, are bearing all these costs themselves.

[Grachev] This is surely not being done for humanitarian reasons, is it? They are certainly counting on profiting from this. How will the profits and extracted oil be distributed in general?

[Tevsadze] When a profit has started to be made and until the investments have been repaid, the partners will receive 50 percent each. Then, when the investor's expenses have been paid off, 70 percent of the extracted oil will go to the Georgian side and 30 percent to the English side.

These are the conditions under which "J.T. Kenny" plans to conduct geological and geophysical research and also exploratory drilling for oil in the Kartli region.

[Grachev] What about deposits in eastern Georgia? Are they not attracting the attention of foreign investors?

[Tevsadze] To a lesser degree. The "Gruzneft" Department has concluded a contract with an Australian consortium specializing in mineral resources. A joint enterprise has been formed that will be engaged in restoring old deposits in eastern Georgia such as those in Satskhenisi and Norio and also others in Mirzaani, Patara Shiraki, and Taribani in Dedoplistskaro rayon. Various secondary methods will be used to develop deposits intensively and increase the output of oil.

Furthermore, it is planned to carry out detailed geological and exploratory work at old wells with the aim of discovering new oil and gas deposits.

The Australian firm has undertaken to complete already this year the construction of the first unit of an oil-processing plant in the region of the Samgori deposit that will have an annual output capacity of 200,000 tonnes; once other new units have been added next year, it is planned that output will increase to 500,000 tonnes. The construction of the plant has already begun and will cost around 11-12 million U.S. dollars.

It should be emphasized that the plant is guaranteed to be absolutely ecologically safe and highly efficient and economical. Gasoline, aviation kerosene, diesel fuel, and fuel oil will constitute 90 percent of the output of finished products while it is envisaged that only 2 percent of the oil will be needed for our own needs.

Finally, our third partner is the U.S. firm "Mac-Oil" with whom we have had contacts for two years now,

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although these have not been developed in practice due to the unstable situation in the republic. However, at our last meeting with the Americans in May, a firm agreement was reached that work would commence. By the end of July, drilling equipment should be delivered by ship to the port in Poti and this will then be transferred to eastern Georgia.

The U.S. firm plans to use its equipment to drill horizontal wells for the first time in our republic at the deposits in Ninotsminda, Manavi, and in western Rustavi with the aim of increasing the output of these wells and the yield from these deposits as a whole.

In short, the ice has begun to break. If everything goes as planned, with the help of foreign investors, within one or two years it will be possible to increase the annual output of oil in Georgia to a level of more than 1 million tonnes.

[Grachev] Nevertheless, there remains an "if." What is currently preventing the realization of these plans?

[Tevsadz] The same criminal situation. It has already been reported in the press that thefts at certain deposits in eastern Georgia have reached an unprecedented scale; internal affairs bodies have established hundreds of primitive underground oil processing installations there. [sentence as published] A merciless war has now been declared against this. In this regard, a special edict has been issued by head of state E. Shevardnadze, a resolution has been adopted by the Cabinet of Ministers, and a law on measures to protect Georgian oil has been passed by the republic's parliament. I believe all this will form a reliable basis for the law enforcement bodies to restore real order in this sphere of the economy that is vitally important for our republic.

Russians Remain Only Peacekeepers in Abkhazia

LD2907215494 Moscow Ostankino Television First Channel Network in Russian 1700 GMT 29 Jul 94

[Video report by Dmitriy Beketov from Abkhazia; from the "Novosti" newscast]

[Text] The Abkhazian authorities have tightened the control regime in the 24-km security zone on the Abkhazian side of the River Inguri, where Russian peace-keeping troops are stationed, Abkhazia's Defense Ministry reports. The movement of civilians and servicemen across the Georgian-Abkhaz border has been stopped completely.

[Beketov] The complete attention of the peacekeeping forces in the area of the Georgian-Abkhazian conflict is centered on the disengagement line between the warring sides and the withdrawal of armed formations outside the security zone boundaries on both sides of the River Inguri.

At present a guaranteed cease-fire has been ensured. However, the sides are constantly making claims against each other and surrounding the preliminary agreements

with various conditions and demands, which considerably reduce the effectiveness of the Russian peace-making efforts and make their job more difficult.

So far, there has been no accord between the Georgian and Abkhazian sides on the refugees' problem. A total of 300,000 refugees, whom the war has driven away from their familiar spots, have concentrated on the other side of the River Inguri. They want to return home because nobody wants them on the other side. However, nobody is waiting for them here, either.

There are also provocateurs who are instigating the civilian population not to wait for a political settlement of the Georgian-Abkhazian conflict and to go and liberate their houses.

The Russian troops still remain the only restraining force here. But General Vasily Yakushev has been appointed commander of the united peacekeeping forces.

[Vasily Yakushev, identified by screen caption as commander of CIS peace-keeping forces in Georgia] I would like to see the CIS countries taking part in this. For example, one country could provide financial aid, another could send at least a company, and yet another military observers, so that this becomes not a Russian but a CIS action.

[Beketov] Observers of the UN mission in Georgia are watching the actions of the Russian troops, numbering about 1,600 people. In the opinion of Laszlo Forgacz, deputy head of the UN mission in Georgia, the Russian troops are performing their tasks in accordance with the UN principles, and no violations on their part have been noticed.

Shevardnadze Accuses Abkhazia of Hindering Refugees Return

LD3007142394 Moscow INTERFAX in English 1255 GMT 30 Jul 94

[Text] At present the major problem facing Georgia is to settle the conflict in Abkhazia. The presidential press service told Interfax that Eduard Shevardnadze declared about this during his meeting with the French Ambassador at large to Georgia Bernar Fasie.

According to Shevardnadze, the first stage of the settlement process has been completed, the Russian peace-keeping forces have cleared of mines the territory in the conflict zone and organized control and checking points. At the same time he underlined that the return of refugees "is being hampered due to various reasons." "The Abkhazian party tries to disrupt this process by any means persisting in determination of Abkhazia's status before their return and this is unacceptable for us," Shevardnadze explained.

He indicated that such situation can lead to "the development of spontaneous phenomena—mass uncontrolled transfer of refugees into the Gali region."

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Shevardnadze Outlines Main Tasks in Overcoming Conflict

LD0108124794 Moscow Radio Rossii Network in Russian 1000 GMT 1 Aug 94

[Text] As expected, the situation in the Georgian-Abkhazian conflict zone was the subject of [Georgian Head of State] Eduard Shevardnadze's comments in the traditional Monday interview on Georgian radio. Our correspondent Nikolay Mamulashvili reports from Tbilisi:

[Mamulashvili] The surrender of Sukhumi and the temporary loss of Abkhazia was facilitated, along with external factors, by internal ones, which he hoped the public would find out about in time, stressed Eduard Shevardnadze, head of the Georgian state, in his radio interview on 1 August. According to him, at the present stage it is necessary to settle two main problems in the confrontation zone. These are the return of refugees to their places of residence and guarantees for their safety, which, by the way, are written down in all the declarations and other documents passed by the United Nations on the Abkhazian problem, and prospects for the beginning of talks on the status of Abkhazia.

As to the issue of the return of refugees, the head of the Georgian state noted that all the preconditions for starting this process are already there, including technical questions.

Eduard Shevardnadze stressed that today everything depends on Russia, as well as on the actions of the commissariat for refugees. Shevardnadze believes that delaying the process of the return of refugees is inadmissible, because in this case, besides everything else, the confidence factor may be lost and it would be very difficult to restore it. The process of the return of refugees must start and I have faith that it will start, the head of state continued.

In the same radio interview the head of the Georgian state mentioned the visit of the Russian Government delegation to Georgia and to the conflict zone last week and stressed that what the Russian delegation saw will speed up the settlement of many questions and problems.

Defense Official Says Troop Pull-Out Near Completion

LD3107184594

[Editorial Report] Moscow Russian Television Network in Russian at 1600 GMT on 31 July carries a video report by A. Sladkov on the situation at the Kodori Gorge in Georgia.

Sladkov says: "Russian peacekeepers have embarked upon resolving the Kodori Gorge problem. During a trip to the banks of the Kodori River two weeks ago to meet Kimzar Kvitsiani, leader of the Svan local residents, Colonel General Kondratyev laid the groundwork for the beginning of a peaceful solution to the question. Yesterday, on 30 July, Gen. Vasily Yakushev, commander of the peacekeeping forces, managed to achieve what had before seemed impossible: he organized a meeting between the Georgian and

Abkhaz deputy defense ministers and Imzar Kvitsiani, Svanetiya troops leader. The conversation has yielded immediate results."

The video shows A. Tabakhiya, identified by caption as Abkhaz deputy defense minister. Tabakhiya says: "This is the first time we have met the leader of the Svan local troop unit stationed here. We now have a clear understanding that we must hold talks with local troops, not with the Georgian or Tbilisi generals."

G. Kurashvili, Georgian deputy defense minister, identified by caption, is shown dressed in military camouflage. He says: "Tomorrow we will complete the pull-out of the hardware. Most of the hardware has been pulled out from the town of Sakeni. Later, the observers will arrive to inspect the scene and to make sure that we have not transgressed the treaty provisions."

M. Kvitsiani, leader of the Kodori Svan unit, identified by caption, says: "I can vouch for us to the world, the whole world—we will not initiate any attacks on anyone. There will be no attacks on those who have come here, nor will I allow anyone to touch our own people."

Sladkov concludes the report by saying: "The 92 remaining Georgian soldiers will soon leave the Kodori Gorge, while the Russian peacekeepers will be guarantors of stability for the 1,800 Svan soldiers stationed here. The Russian peacekeepers have now received the opportunity to patrol part of the gorge, having increased their patrol area right up to the border with Georgia."

Abkhaz Refugees Send Protest to Yeltsin

LD3007184294 Moscow Russian Television Network in Russian 1600 GMT 30 Jul 94

[Video report by M. Vardzelashvili; from the "Vesti" newscast]

[Text] Refugees at the Inguri bridge have suspended their protest action. They have given all four sides two weeks to fulfil their demands, otherwise they will resort to more extreme measures.

The public duma under the Council of Ministers of the Autonomous Republic of Abkhazia has sent a letter to Russian Federation President Boris Yeltsin in the name of the protest participants. It says the representatives of the multi-ethnic population—numbering 300,000—that have been thrown out of Abkhazia express their dissatisfaction with the Russian leadership over the artificially long and drawn out peacekeeping operations and the return of refugees to their homes. They are especially concerned by the passive approach of the Russian side, which has taken upon itself the main responsibility for overseeing a peaceful settlement of the conflict between Georgia and Abkhazia. Deputy Defense Minister of Abkhazia Aslan Koshkhaia said that once Georgian troops have been withdrawn from the Kodori Gorge, Abkhaz police will be sent to Georgian villages.

Apart from Georgia, Armenia also has an interest in the return of the refugees. The heads of the Armenian security and defense ministries have arrived in Georgia. There are many Armenians among the refugees from Abkhazia, so the Armenian leadership's interest in this issue is understandable.

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Estonia**Russian Commander Denies Imminent Closure of Paldiski***LD3007103294 Moscow Radio Moscow in Russian to Tajikistan 1600 GMT 30 Jul 94*

[From the "Slavyanka" program of the Russian Defense Ministry]

[Text] Vice Admiral Anatoliy Gavrilov, commander of the Russian naval base in Tallinn, has denied absolutely information on its closure in the near future. He said that Minnaya Gavan in Tallinn continues to be under the jurisdiction of Russia. Military cargo and Russian Army property are being dispatched through it. The naval base in Paldiski, which houses a submariner training center also continues to be at Russia's disposal. As far as the ceremony marking the closure of the base is concerned, Vice Admiral Gavrilov added that there was nothing ceremonious about the withdrawal of the Baltic Fleet from Estonia.

Malk Hails Nuclear Plant Decommissioning Deal*LD3007205894 Moscow Radiostantsiya Ekho Moskv in Russian 1500 GMT 30 Jul 94*

[Excerpts] Russia and Estonia reached agreement today on the dismantling of two nuclear reactors at the Paldiski nuclear center. [passage omitted] Representing the Russian side for the signing of the document was First Deputy Foreign Minister Igor Ivanov. The Estonian side was represented by Foreign Ministry Deputy Chancellor Raul Malk. Here is what he told our radio station:

[Begin Malk recording] This is a unique agreement, because there has never been such an agreement before in the world where a military nuclear reactor on the territory of another state is decommissioned. I think the settlement of this difficult issue in this way at this moment in time points to a certain stabilization in relations between our two neighboring states. This agreement is one of the bricks in the wall we are constructing now for our future building—our cooperation, normal cooperation, unclouded by the past. [end recording] [passage omitted]

Latvia**Birkav Comments on Talks With UK Secretary***LD2907181194 Riga Radio Riga Network in Latvian 1700 GMT 29 Jul 94*

[Text] Today after returning from an unofficial visit to Great Britain, Prime Minister Valdis Birkavs told us that during a meeting with British Foreign Secretary Douglas

Hurd the attention was mainly focussed on issues related to the coming about of a new security situation in the Baltic region, which needs international support.

Hurd commended Latvia's achievement in talks with the European Union, because Latvia has signed a free trade agreement with it. It is also envisaged to begin talks on concluding a Euro-agreement, as a result of which Latvia will become an associated member of the European Union.

It is envisaged that Great Britain will render assistance to Latvia in issues of foreign trade, standardization, and certification of goods and quality control. Birkavs also emphasized that the talks with Hurd were a positive fact before the forthcoming visit by British Prime Minister John Major to Lithuania, during which issues of security and economic policy important for the Baltic states will be discussed.

In addition, during his visit Birkavs met representatives of the European Bank for Reconstruction and Development. It is planned that Latvia will receive money [words indistinct]. But at a meeting with the leadership of the FINANCIAL TIMES newspaper, the possibility was discussed to make a supplement to the newspaper on 18 November [Latvian independence day] each year, which would include comprehensive information about the news in Latvian political and economic life.

Lithuania**Troops To Join Danish Peacekeeper Battalion in Croatia***MM0108091194 Moscow KRASNAYA ZVEZDA in Russian 29 Jul 94 p 3*

[Item from column of Own Information and ITAR-TASS reports: "Lithuanians To Go to Croatia. On Peacemaking Mission"]

[Text] The Lithuanian Seimas has adopted a decree authorizing a Lithuanian military detachment to take part in UN peacekeeping operations in Croatia until 1 March 1995 as part of a Danish battalion.

Joint exercises involving Lithuanian and Danish servicemen have been held at the Lithuanian field training area in Ruklja. The Danes, who have experience of taking part in UN peacekeeping actions, brought their military hardware to Ruklja. Subsequently joint training drills will be held in Denmark. It is from there that Lithuanian servicemen will leave for Croatia at the end of August as part of a Danish battalion. Their task will be to observe fulfillment of the cease-fire agreement, escort humanitarian freight, carry out rescue work, and provide the civilian population with medical and other assistance.

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